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LEGISLATIVE HISTORY

H. R. 7175
Public Law 86-80

TABLE OF CONTENTS

Index and summary of H. R. 71751
Digest of Public Law 86-802

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INDEX AND SUMMARY OF H. R. 7175

- May 15, 1959 House Appropriations Committee reported H. R. 7175. H. Report No. 365. Print of bill and report.
- May 18, 1959 House began and concluded debate. Excerpts from House report included in Digest.
- May 19, 1959 Rep. Cooley urged defeat of proposed amendment to H. R. 7175 to limit amount of CCC loans to individual producers. Speeches in the House by Reps. Schwengel and Hoffman.
- May 20, 1959 House passed H. R. 7175 with amendment.
- May 21, 1959 H. R. 7175 was referred to the Senate Appropriations Committee. Print of bill as referred.
- May 28, 1959 Senate committee reported H. R. 7175 with amendments. S. Report No. 330. Print of bill and report.
- June 1, 1959 Senate began debate on H. R. 7175.
- June 2, 1959 Senate continued debate on H. R. 7175.
- June 3, 1959 Senate passed H. R. 7175 with amendments. Senate conferees were appointed. Print of H. R. 7175 as passed by Senate with Senate amendments numbered.
- June 4, 1959 Sen. Russell and others discussed this bill.
- June 18, 1959 House conferees were appointed.
- June 29, 1959 House received conference report. H. Report No. 588. Print of report.
- Summary of actions taken by conferees.
- June 30, 1959 Both Houses agreed to the conference report.
- July 8, 1959 Approved: Public Law 86-80.

to represent more than one county or parts of different counties in Alaska. Amends the Smith-Hughes vocational education law to include Alaska on the same basis as other States, and increases the authorization for allotments to the States for teacher-training in agriculture, trades and industries, and home economics from \$90,000 to \$98,500. Amends the act of February 15, 1927, which regulates the importation of milk and cream into the continental United States, so as to include Alaska. Extends the provisions of the Federal Property and Administrative Services Act of 1949 to Alaska. Extends to Alaska the provisions of the act of March 3, 1891 which regulates timber cutting and removal from public lands. Provides that the phrase "continental United States," when used in Federal laws after enactment of this act, shall mean the 49 States of the North American Continent and the District of Columbia. Authorizes the President, until July 1, 1964, to transfer to Alaska, without reimbursement, any property there owned by the United States in connection with Federal functions which are terminated or curtailed and the functions have been or will be assumed by Alaska.

PUBLIC LAW 86-73 (H. R. 2256) VETERANS' HOUSING LOANS IN RURAL AREAS (approved June 30, 1959). Amends Sec. 1823(a) of title 38, U. S. Code, so as to authorize additional sums, not to exceed \$100,000,000, for direct housing loans to veterans living in rural areas, or in small cities and towns not near large metropolitan areas. Amends Sec. 1803(c) of title 38, U. S. Code, so as to raise the interest rate ceiling from 4-3/4 percent to 5-1/4 percent on guaranteed or direct housing loans to veterans.

PUBLIC LAW 86-74 (H. R. 7749) INCREASE IN PUBLIC DEBT LIMIT (approved June 30, 1959). Increases the permanent public debt limit from \$283 billion to \$285 billion, and increases the temporary public debt limit for the fiscal year beginning July 1, 1959, an additional \$10 billion (to \$295 billion).

PUBLIC LAW 86-75 (H. R. 7523) TAX RATE EXTENSION ACT OF 1959 (approved June 30, 1959). Extends for 1 year, until July 1, 1960, the corporate normal-tax rate and certain excise tax rates, including the excise tax on cigarettes.

PUBLIC LAW 86-76 (H. J. Res. 439) TEMPORARY APPROPRIATIONS (approved July 1, 1959). Provides temporary appropriations to departments and agencies, including the Department of Agriculture, whose regular 1960 appropriation bills had not been enacted by July 1, 1959.

PUBLIC LAW 86-79 (H. R. 7176) GENERAL GOVERNMENT MATTERS APPROPRIATION ACT, 1960 (approved July 8, 1959). Includes appropriations for the Budget Bureau, Council of Economic Advisers, National Security Council, President's Advisory Committee on Government Organization, Emergency Fund of the President (National Defense), and Subversive Activities Control Board.

Appropriates \$125,000 to the President for allocation to executive agencies for the conduct, under the general direction of the Bureau of the Budget, of examinations and appraisals of, and the development and installation of improvements in, the organization and operations of the agencies.

Includes general provisions for departments and agencies, during the fiscal year 1960 as follows: Limits the amount which may be paid for a passenger vehicle (exclusive of buses and ambulances) to \$1,500, except for station wagons the maximum of which is \$1,950. Requires Federal employees to be U.S. citizens, with certain exceptions. Makes appropriations available for living quarters allowances for employees stationed in foreign countries. Prohibits payments to employees whose nominations the Senate has rejected. Limits the price which may be paid for the U. S. Code to \$4 per volume, and for the

Lifetime Federal Digest to \$4.25 per volume. In the case of certain corporations, makes appropriations available for certain purposes, such as rent in D. C. Prohibits corporations from constructing office buildings in certain cases. Permits foreign credits to be used only when reimbursement is made to the Treasury Department. Requires departments and agencies, in connection with the submission of all requests for proposed appropriations to the Budget Bureau, to submit reports that statements of obligations furnished therewith consist of valid obligations in accord with definitions in Sec. 1311(a) of the Supplemental Appropriation Act of 1955.

PUBLIC LAW 86-80 (H. R. 7175) DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION ACT, 1960 (approved July 8, 1959). Provides annual appropriations for regular activities for the Department of Agriculture (other than Forest Service) for fiscal year 1960 in the amount of \$1,267,840,760, plus \$1,268,097,500 under Title II for Reimbursement to Commodity Credit Corporation for costs of special activities. The Act also authorizes borrowings from the Secretary of the Treasury for loans in the amount of \$421,000,000, exclusive of contingency authorizations. Title II of the Act also authorizes the partial restoration of the June 30, 1958 capital impairment of the Commodity Credit Corporation in the amount of \$1,435,424,413; it further provides for a CCC corporate administrative expense limitation of \$42,000,000, and provides that price support to any person on 1960 crops of supported commodities shall not exceed \$50,000 except under certain specified conditions. Title III of the Act provides limitations on administrative expenses of not to exceed \$2,125,000 for the Farm Credit Administration. Permanent appropriations for 1960 are available in the estimated amount of \$302,166,678. (At the end of this Digest is a table of appropriations for fiscal year 1960, including all supplemental appropriations to date, compared with 1958 and 1959. Fiscal years 1958 and 1959 include authorized transfers for pay and postal increases costs.)

Items of major significance in the Act for the Department of Agriculture, including amounts of increase or decrease over 1959, are as follows:

AGRICULTURAL RESEARCH SERVICE: \$170,651,698 appropriated, a net increase of \$2,213,600 above 1959. Changes include: Salaries and expenses - a net increase of \$4,807,200 for research, of which \$2,800,000 is for construction of laboratory facilities; a net decrease of \$3,133,400 for plant and animal disease and pest control which included a decrease of \$3,750,000 in the brucellosis eradication program; and an increase of \$539,800 for meat inspection activities. Payments to States - \$31,803,708 appropriated (same as 1959).

EXTENSION SERVICE (principally payments to States): \$64,123,222 appropriated, a net increase of \$186,900 primarily for retirement costs for extension agents.

SOIL CONSERVATION SERVICE: Conservation operations - \$82,322,000 appropriated (net increase of \$1,439,200 primarily to provide for the staffing of new soil conservation districts in 1959 and 1960); Watershed protection - \$22,750,000 appropriated (decrease of \$2,750,000); Flood prevention - \$18,000,000 appropriated (same as 1959); Great Plains conservation program - \$10,000,000 appropriated (same as 1959).

AGRICULTURAL CONSERVATION PROGRAM: \$241,500,000 appropriated which, together with balances available under the 1957 program, provides the full \$250,000,000 authorized for the 1959 program. Of the amount appropriated, not to exceed \$26,832,950 (increase of \$1,580,950) is for administrative expenses. The Act also authorizes a \$250,000,000 program for the 1960 crop year.

AGRICULTURAL MARKETING SERVICE: Marketing research and service - \$41,417,100 appropriated (net increase of \$3,450,400 primarily for mandatory poultry inspection); Payments to States - \$1,195,000 appropriated (increase of \$35,000); School lunch program - \$110,000,000 appropriated (same as 1959). Act also provides that \$43,657,248 (increase of \$8,657,248) shall be transferred from Section 32 funds for purchase of agricultural commodities for distribution to schools.

SOIL BANK PROGRAM: Conservation reserve program - \$335,000,000 appropriated (increase of \$135,000,000 primarily for annual rental and practice payments); not to exceed \$18,600,000 shall be available for administrative expenses (increase of \$2,313,800), including expenses for liquidation of the acreage reserve program. Act limits payments to producers to \$375,000,000 in any calendar year, and also contains restrictions governing payments to participants.

COMMODITY STABILIZATION SERVICE: Acreage allotments and marketing quotas - \$39,135,000 appropriated (net decrease of \$2,580,000 primarily due to termination of corn acreage allotments); Sugar Act program - \$71,500,000 appropriated (net decrease of \$4,500,000 in payments to producers).

FEDERAL CROP INSURANCE CORPORATION: \$6,376,700 appropriated (same as 1959). Act also provides that not to exceed \$2,330,000 (increase of \$33,000) of administrative and operating expenses may be paid from premium income.

RURAL ELECTRIFICATION ADMINISTRATION: Loan authorizations - \$215,000,000 consisting of \$136,000,000 for electrification loans (decrease of \$181,000,000), and \$79,000,000 for telephone loans (increase of \$11,500,000). In addition, a \$25,000,000 contingency fund was authorized for each program. Salaries and expenses - \$9,632,000 appropriated (increase of \$30,700).

FARMERS HOME ADMINISTRATION: Loan authorizations - \$206,000,000 consisting of \$24,000,000 for farm ownership loans (same as 1959), \$180,000,000 for farm operating loans (same as 1959) and \$2,000,000 for soil and water conservation loans (decrease of \$3,500,000). In addition, a \$20,000,000 contingency fund was authorized, of which not to exceed \$5,000,000 may be used for farm ownership loans and the balance for farm operating loans. Salaries and expenses - \$30,744,750 appropriated (decrease of \$444,750).

PUBLIC LAW 86-84 - (H. R. 7343) DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION ACT, 1960 (approved July 13, 1959). Includes funds for contributions to international organizations (including the Food and Agriculture Organization, Inter-American Institute of Agricultural Sciences, International Sugar Council, and International Wheat Council), international educational exchange activities, international cultural exchange and trade fair participation activities, and the U. S. Information Agency.

PUBLIC LAW 86-88 (H. R. 7349) DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION ACT, 1960 (approved July 13, 1959). Includes funds for the Census Bureau, Bureau of Foreign Commerce, Bureau of Public Roads (including forest highways), National Bureau of Standards, Weather Bureau, St. Lawrence Seaway Development Corporation, Small Business Administration and Tariff Commission.

PUBLIC LAW 86-89 (H. R. 7086) EXTENSION OF RENEGOTIATION ACT (approved July 13, 1959). Amends the Renegotiation Act of 1951 so as to extend the authority for the renegotiation of certain Government contracts for 3 years, to June 30, 1962.

PUBLIC LAW 86-92 (H. R. 2497) ADDITION OF LANDS TO BOISE AND PAYETTE NATIONAL FORESTS (approved July 17, 1959). Extends the boundaries of the Boise and Payette National Forests in Idaho to include lands owned or hereafter acquired by the United States in connection with the Cascade Reservoir reclamation project. Such lands as are within the present boundaries of the Boise National Forest are made a part of that national forest. Provides that the lands added to the forests are to be administered as are other lands to which the Weeks Act and its amendments are applicable.

PUBLIC LAW 86-104 (H. R. 5676) DISTRICT OF COLUMBIA APPROPRIATION ACT, 1960 (approved July 23, 1959). Includes funds for a school lunch program for needy children in elementary schools, for a milk program for school children, and for the distribution of surplus commodities and relief milk to public and charitable institutions in the District.

PUBLIC LAW 86-107 (S. 726) AMENDMENTS TO CLAYTON ACT (approved July 23, 1959). Amends the Clayton Act so as to facilitate the prohibitions in the Act (by the Interstate Commerce Commission, Federal Communications Commission, Civil Aeronautics Board, Federal Reserve Board, and Federal Trade Commission) against price discrimination, tying arrangements, mergers and interlocking directorates. Permits a commission or board, after notice and opportunity for hearing, to alter or modify its report or order when changed conditions of fact or of law, or the public interest, require such action. Requires that the findings of a commission or board be supported by substantial evidence. Provides that any person who violates an order of a commission or board to cease and desist after it becomes final may be held liable to a civil penalty of \$5,000 for each violation, with each day of a continuing violation being deemed a separate offense.

PUBLIC LAW 86-108 (H. R. 7500) MUTUAL SECURITY ACT OF 1959 (approved July 24, 1959). Requires that at least \$175,000,000 of mutual security funds be used to finance the sale for foreign currencies or the grant of surplus agricultural commodities. Provides that surplus commodities or products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies may also be made available to the maximum extent practicable for domestic relief in the U. S. Authorizes \$2,300,000 for ocean freight to move supplies donated to and by American voluntary agencies. Includes "research" as an activity for which foreign currencies may be used overseas under Sec. 104(k) of Public Law 480. Authorizes \$211,000,000 for technical cooperation programs.

PUBLIC LAW 86-117 (S. 1877) DESIGNATION OF UNDER SECRETARY OF STATE (approved July 30, 1959). Establishes an office in the Department of State which shall be designated by the President either as Under Secretary of State for Political Affairs or Under Secretary of State for Economic Affairs.

PUBLIC LAW 86-118 (H. J. Res. 475) EXTENSION OF TEMPORARY APPROPRIATIONS FOR 1960 (approved July 31, 1959). Extends until August 31, 1959, the provisions of Public Law 86-76 providing for temporary appropriations for fiscal year 1960 pending the enactment of regular annual appropriation acts.

PUBLIC LAW 86-119 (S. J. Res. 124) EXTENSION OF VOLUNTARY HOME MORTGAGE CREDIT PROGRAM (approved July 31, 1959). Amends Sec. 610(a) of the Housing Act of 1954 so as to extend until September 30, 1959, the voluntary home mortgage credit program of the Housing and Home Finance Agency in providing assistance to homebuyers in obtaining residential mortgage loans in small communities and rural areas.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued May 18, 1959
For actions of May 15, 1959
86th-1st, No. 78

Adjournment.....	9
Agricultural appropriations.....	1
Appropriations.....	1
Budget.....	7
Conservation.....	12
Corn tassel.....	16
Eggs.....	4
Electrification.....	15
Farm program.....	4
Food stamps.....	4
Foreign aid.....	6
Forestry.....	8
Labor standards.....	18
Library services.....	14
National flower.....	16
Personnel.....	5
Poultry.....	4
Price supports.....	2,3
Properay.....	8,17
School lunch.....	4
Taxation.....	10,17
Tobacco.....	3
Water pollution.....	11
Water resources.....	12
Wheat.....	2,3
Wildlife.....	12

HIGHLIGHTS: House committee reported agricultural appropriation bill Fri., May 15. Senate committee ordered reported wheat and tobacco price support bills, and was granted permission until Mon., May 18, to report the bills.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1960. The Appropriations Committee reported this bill during recess.

Representatives of the Department agencies have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill and committee report will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.

At the end of this Digest are a summary comparison of the Committee actions with the 1960 estimates and with anticipated funds available in 1959. (Excerpts from the committee report will be quoted in tomorrow's Digest.)

2. WHEAT. The "Daily Digest" states that the Agriculture Committee "Met in executive consideration of a clean bill H. R. 7118, which incorporates the provisions of H. R. 6737, with respect to price supports for wheat and for other purposes. Action was deferred on this bill until Tuesday, May 19, when the committee will again meet in executive session." p. D361

SENATE

3. WHEAT; TOBACCO. The "Daily Digest" states that the Agriculture and Forestry Committee "ordered favorably reported an original bill providing for 1960-61 crops of wheat. Price supports will be at 65 percent of parity to those producers planting 80 to 100 percent of their acreage allotments, and 80 percent of parity to those planting 80 percent or less of their acreage allotments. The committee also approved S. 1901, to amend the Agricultural Act so as to stabilize and protect the level of support for tobacco" (p. D359). At the request of Sen. Ellender the committee was granted permission until 6 p. m. Mon., May 18, to report the two bills (p. 7394).
4. FARM PROGRAM. Sen. Morse urged the purchase of poultry and eggs for the school lunch program and enactment of a food-stamp plan for distribution of surplus foods, and inserted two articles, "Uncle Sam Has Recovered 84 Cents on Each Dollar Spent on Farm Supports" and "Falling Farm Prices Stabilize Cost of Living." p. 7411
5. PERSONNEL. Sen. Carlson inserted an address by Rocco C. Siciliano, Special Assistant to the President for Personnel Management, "The Challenge of Executive Leadership in Government," discussing the difficulty of recruiting the more competent persons for Federal service, and stating that "There is strong evidence that the Federal Government does not compete on equal terms with private industry in attracting and retaining a fair share of the ablest leaders that this Nation produces." pp. 7418-20
6. FOREIGN AID. Sen. Mansfield discussed the foreign aid program, stated that "The uneasiness with the foreign aid program which is evident in Congress" is the result of "uneasiness over the administrative decadence with which foreign aid is now surrounded" and that he is "persuaded that time is running out on foreign aid," and inserted several items on foreign aid given to different countries. pp. 7389-94
Sen. Neuberger commended Sen. Mansfield's statement, and stated that "foreign aid must be improved." pp. 7420-1
7. BUDGET. Sen. McNamara inserted his newsletter to constituents, "Why We have A Deficit," and an editorial discussing "the inconsistency of the President in his approach to the Nation's fiscal affairs." p. 7387
8. PROPERTY; FORESTRY. Received a Sherman County, Nebr., County Board of Supervisors resolution favoring enactment of S. 910, to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property. p. 7382
9. ADJOURNED until Tues., May 19. p. 7421

ITEMS IN APPENDIX

10. TAXATION. Sen. Wiley inserted excerpts from his address discussing the effects of taxes on the economy and stressing the need for a long-range tax policy. pp. A4095-6
11. WATER POLLUTION. Sen. Yarborough inserted a local resolution commending Sen. Johnson, Rep. Poage and himself for their efforts in the Congress for legislation to carry water pollution control programs. p. A4097

12. CONSERVATION. Sen. Neuberger inserted an editorial urging extended conservation of natural resources. p. A4097
Extension of remarks of Sen. Murray inserting an article, "Economy and Your Outdoors -- President Eisenhower's Economy Drive to Balance the Budget May Have Grave Effects on Many of This Nation's Important Wildlife Projects." pp. A4099-101
Extension of remarks of Sen. Wiley inserting an article, "The Three 'R's' and Resources," and stating that it contains some thought-provoking ideas on instilling sound principles of conservation in our youth. pp. A4103-4
13. WATER RESOURCES. Sen. Murray commended and inserted an article, "Metcalf Protests Ban on New Water Development." p. A4099
14. LIBRARY SERVICES. Extension of remarks of Sen. Neuberger stating that the Library Services Act has "stimulated a significant and beneficial expansion of library facilities in rural areas of the United States," and inserting an article on this subject. pp. A4101-2
15. ELECTRIFICATION. Extension of remarks of Sen. Yarborough stating that "loans at low interest rates are the keystone" of the rural electric systems and inserting an article "Illusion of Private Financing." pp. A4102-3
16. CORN TASSEL. Rep. Judd inserted an editorial discussing the competition for the naming of the national flower. p. A4104

BILLS INTRODUCED

17. PROPERTY. S. 1962, by Sen. Hennings, providing for the making of payments to the States and their political subdivisions in lieu of taxes and special assessments with respect to certain real property owned by the United States or its agencies; to Government Operations Committee.
18. LABOR STANDARDS. S. 1967, by Sen. Prouty, to amend the Fair Labor Standards Act of 1938, as amended; to Labor and Public Welfare Committee. Remarks of author. pp. 7385-6

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COMMITTEE HEARINGS ANNOUNCEMENTS:

- May 18: Interior and related agencies appropriation bill, S. Appropriations (Forest Service to testify).
- May 20: Increases in special milk program for 1960 and 1961, H. Agriculture (Garber and Davis, AMS, to testify).
- May 21: Greater protection against entry and dissemination of livestock and poultry diseases, S. Agriculture (Clarkson, Popham, and Mulhern, ARS, to testify).
- June 1: Transfer, sale, and preservation of acreage allotments, H. Agriculture (witness not yet designated).

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For supplemental information or copies of legislative material referred to, call Ext. 4654 or send to Room 105-A.

UNITED STATES DEPARTMENT OF AGRICULTURE

House Committee Bill, 1960, Compared with Budget Estimates, 1960

[Note.--Amounts for 1959 are adjusted for comparability with the appropriation structure proposed in the 1960 House Committee Bill and include all supplementals to date.]

Agency or Item	Appropriations : and Loan : Authorizations, : 1959	Budget : Estimates, : 1960	House : Committee : Bill, : 1960	Increase (+), or Decrease (-), Com- mittee Bill Compared : with Budget Estimates
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:				
Agricultural Research Service:				
Research	\$62,915,290:	\$64,240,000:a/	\$63,961,590:	-\$278,410
Plant and animal disease and pest control, and meat inspection	73,719,100:	70,585,000:	69,475,700:	-1,109,300
State Experiment Stations (principally payments to States)	31,803,708:	31,803,708:	31,803,708:	-
Extension Service (principally payments to States)	63,936,322:	64,139,477:	64,123,222:	-16,255
Soil Conservation Service	134,717,800:	128,647,000:	133,397,000:	+4,750,000
Agricultural Conservation Program Service ..	235,000,000:	241,500,000:b/	241,500,000:	-
Agricultural Marketing Service:				
Marketing research and service, and payments to States	39,126,700:	43,220,000:	41,067,100:	-2,152,900
School lunch program	110,000,000:	100,000,000:d/	110,000,000:	+10,000,000
Foreign Agricultural Service	4,234,320:	4,268,300:	3,518,300:	-750,000
Soil bank programs:				
Conservation reserve	200,000,000:	360,370,000:e/	310,000,000:	-50,370,000
Acresage reserve	609,450,000:	1,050,000:	-	-1,050,000
Commodity Stabilization Service:				
Acresage allotments and marketing quotas ..	41,715,000:	39,135,000:	39,135,000:	-
Sugar Act program	76,000,000:	71,500,000:	71,500,000:	-
Federal Crop Insurance Corporation:				
Operating and administrative expenses	6,376,700:	6,376,700:	6,376,700:	-
Rural Electrification Administration				
(Salaries and expenses)	9,601,300:	9,632,000:	9,632,000:	-
Farmers Home Administration (Salaries and expenses)	31,189,500:	31,300,000:	30,300,000:	-1,000,000
All other	9,842,565:	10,075,765:	9,853,265:	-222,500

- f/ Includes reserve authorization of \$25,000,000 for rural telephone loans which it is anticipated will be used in 1959. It is currently estimated that rural electrification loans totaling \$175,000,000 and rural telephone loans totaling \$98,000,000 will be made in fiscal year 1959.
- g/ Includes reserve authorization of \$25,000,000 for rural telephone loans which it is anticipated will be used in 1960. Including the carryover of funds from prior years, it is estimated that rural electrification loans totaling \$245,000,000 and rural telephone loans totaling \$105,000,000 will be made in fiscal year 1960.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1960

MAY 15, 1959.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H.R. 7175]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year 1960. The bill covers estimates contained in the 1960 Budget on pages 148-151 and 317-396.

This bill provides funds for the general operations of the Department, including the Commodity Credit Corporation and various activities such as research, extension, soil and water conservation, loans, soil bank, and administrative services.

Budget requests before the Committee proposed appropriations of \$1,277,842,950 for regular activities, \$1,535,424,413 for restoration of capital impairment of the Commodity Credit Corporation, and \$1,268,097,500 for reimbursement to Commodity Credit Corporation for special activities. The Committee has cut the total of these requests by \$142,199,365.

BENEFITS TO GENERAL PUBLIC

Included in the budget submission to the Committee were requests for large sums for activities of the Government which are only slightly related to the farmer. Unfortunately, many leaders, speakers, and members of the press, frequently lump all funds of the Department together when discussing the price support program. They overlook

the fact that the funds for the Department include amounts for many other activities which are not directly related to that program. Even payments under the Sugar Act, where costs are more than covered by collections from processing taxes, and loan authorizations, where the amounts are repaid with interest, have frequently been claimed as part of the annual expense to the Government for price supports.

In the opinion of the Subcommittee, at most only the appropriations for restoration of capital impairment of the Commodity Credit Corporation should be considered as the direct cost of price supports for the farmer. For fiscal year 1960, the bill carries \$1,435,424,413 for this purpose. This would be much less if a proper sales program had been in effect. Of this amount, over 50 percent is paid to non-farm individuals for the cost of storage, handling, interest, transportation, and administration.

While there are mixed benefits from most of the operations of the Department, many of them are of more benefit to the general public than to the farmer. In the opinion of the Subcommittee, the following activities of the Department are of primary benefit to the general public and should not be charged exclusively to the farmer: (1) Improvement and protection of public health, including home economics research, plant and animal disease and pest control, meat and poultry inspection, school lunch and special milk programs, and donations to schools, institutions and needy people; (2) International relations and National defense, including Foreign Agricultural Service, donations to Veterans Administration and Defense Department, donations to needy people abroad, International Wheat Agreement, emergency famine relief, sales for foreign currencies (Public Law 480), and bartered materials for stockpile; (3) Regulation and improvement of marketing, including all marketing research and regulatory activities, market inspection, grading, classing and standards, agricultural estimates, market news services, freight rate services, the Commodity Exchange Authority and the Farmers Cooperative Service; and (4) Conservation of natural resources, including the Soil Conservation Service, watershed protection, flood prevention, Great Plains program, and Agricultural Conservation program.

The amount included in the bill for these four major categories of expense, which benefit every person in the Nation, is over \$2.2 billion. This is approximately 56 percent of the total amount of appropriations carried in the bill for fiscal year 1960.

THE CURRENT SITUATION IN AGRICULTURE

Even with the figures placed in proper perspective, the situation in agriculture does not present a good picture.

The year 1958 was another year of general overproduction, beyond that necessary for domestic and foreign markets. Such overproduction is expensive to the Government, to the farmer, and to all concerned.

There was a slight improvement in the general farm income in 1958. However, this resulted largely from improved livestock prices as a result of restocking Western ranges and from direct payments to farmers of over \$1 billion from the Treasury for Soil Bank and other Federal programs. It also included some income for December, 1958, which normally would have been carried into 1959.

Despite this, the general situation seems to be deteriorating, as the prices of farm commodities continue to go down and the costs of farm production continue to increase, and acreage is rented and CCC holdings continue to increase. Further, the take of those between the farmer and the consumer continues to increase as fast as farm prices go down—and the consumer pays more and more.

The year 1958 resulted in one of the greatest production records in history. In fact, one of the major reasons for the slight farm income increase in 1958 was the sale of these extra units which were produced by farmers in their effort to offset price reductions.

Notwithstanding the much lower price-support levels in effect in 1958, and notwithstanding the payment of over \$800 million to take acreage out of production, crop production in 1958 was the highest on record. And, the record shows that CCC investment and holdings continue to grow. It is estimated that under present policies they will exceed \$9 billion by June 30, 1959 and may reach \$10.5 billion by June 30, 1960.

While it is doubtless true that favorable weather was a factor, this production record follows a continuing trend in spite of price-support reductions and efforts to control production by restricting and renting of acreage. In fact, the Subcommittee believes that 1958 shows that acreage reductions no longer work, either by restrictions or by renting acreage under the Soil Bank. It calls attention to a comparison of price-support levels and CCC holdings during the period 1952–1958. A brief summary of these factors for a few of the major crops is as follows:

	Reduction in price support	Increase in CCC holdings
		<i>Millions</i>
Wheat (hushel).....	From 90 to 75 percent...	+1,957.4
Corn (bushel).....	From 90 to 77 percent...	+1,804.2
Cotton (bale) ¹	From 90 to 81 percent...	+496.6
Rice (hundredweight).....	From 90 to 75 percent...	+41.8
Barley (hushel).....	From 80 to 70 percent...	+96.9
Oats (bushel).....	From 80 to 70 percent...	+25.8
Flaxseed (hushel).....	From 80 to 65 percent...	+9.5
Rye (hushel).....	From 80 to 70 percent...	+8.4
Borghums (hundredweight).....	From 80 to 70 percent...	+404.0
Soybeans (hushel).....	From 90 to 70 percent...	+90.5

¹ Held off world markets at competitive prices in violation of law.

This, together with other commodities not listed, represents an average reduction in price support levels of about 20 percent.

Since 1956, the Soil Bank has cost the Federal Government nearly \$2½ billion. As pointed out previously, it has had little, if any, effect toward reducing production. The acreage reserve, costing \$1.7 billions, was junked this year on the recommendation of the Secretary and the President.

The conservation reserve section of the Soil Bank reaches relatively few farmers—only 125,000 in 1957–58—and has committed the Federal Government to some \$700 million to date; and we are obligated to honor some contracts for 10 to 15 years longer. This program has had no real effect on production. In addition, the hearings disclose many examples of lax handling and wasteful practices.

The Subcommittee recognizes that it is not only to the interest of the farmers, the Treasury, and the Nation, that farm production be brought in line with that needed for domestic and foreign markets, but that it is absolutely necessary. A majority of the members of the Subcommittee are convinced, however, that each succeeding year proves that merely reducing support prices or renting acreage will not bring about the necessary reduced production. The record proves that this approach will not bring about the needed result.

LATEST REVISION OF PARITY INDEX

On January 30, 1959, the Department reduced farm price supports an additional \$180 to \$200 million by lowering the parity index another 3 percent. This was another step which will do little except reduce farm income.

The records of the Department indicate that this very drastic revision was based on only fragmentary information obtained through sample survey of about 12,000 farms in some 300 counties. This represents about one-fourth of 1 percent of the farm families in a little over 10 percent of the counties in the United States.

FUTURE PROSPECTS FOR AGRICULTURE

As we look to calendar year 1959, the picture is little brighter. Price supports for corn have been set at an average of \$1.12 per bushel with no effort at production controls. While it was originally estimated that 72 million acres of corn will be harvested this year, reports are that this may increase to 90 million acres.

The total supply of wheat and feed grains is the highest on record. Another year of high production of these commodities is in prospect. Unless the present unsound position of the Department on these crops can be corrected, production will continue to increase, CCC holdings will continue to expand, and the cost to the taxpayer will continue to become greater.

RECOMMENDATIONS OF THE DEPARTMENT

Believing the situation sufficiently serious to call for the help of all, the Committee requested the Secretary and the Department to submit to the Committee all the changes in existing law which he and the Department believe are needed. The Secretary acceded to our request. This presentation may be found at pages 3019 to 3062, Volume 4, of the hearings. A majority of the Subcommittee differs with the views and recommendations. However, we do appreciate his cooperation. Until this time it has not been completely clear as to just what specific changes in law the Secretary and the Department endorsed. We asked that the recommendations be in bill form so that there could be no misunderstanding as to the exact intent.

Specifically, the Secretary recommends that he be given discretion by legislation to set price supports for wheat, peanuts and tobacco as low as 75 percent of the average price received for the preceding three years. Also, he would provide for relaxing all controls within a few years.

The record for the past six years, and particularly for 1958, where, with an average 20 percent reduction in price supports, we find a greatly increased production, certainly should indicate where such a course leads. We do appreciate the cooperation of the Secretary in making the submissions. We do retain our differences, for we believe acreage controls are no longer effective. However, it is our belief that to remove all controls as has been done this year with corn, which has led to an estimated increase in planted acres from 72 million to 90 million acres, will only further aggravate the situation.

Also recommended was authority to reduce price supports on wheat to \$1.60 per bushel. In the Secretary's words "such level should lead to using 200 to 300 million bushels of wheat annually for feed—". Apparently, the Secretary sincerely believes this would not displace present use of corn or other feeds but would be absorbed in more feeding to livestock. This certainly seems highly doubtful.

It is to be noted that the Department says this much wheat would feed 11.3 million cows for a year or 16.8 million hogs per year. (Page 2340, Volume 4, of the hearings.)

What that would do to livestock farmers, we believe is apparent.

The Secretary further recommends continuing and increasing the size and scope of the Soil Bank. As the Committee has pointed out, the acreage reserve, where highly productive acreage was rented, has been abolished because the President, the Secretary, the Department, and the Congress, after spending \$1.7 billion, have all agreed it was no answer.

In view of that experience, it is hard to understand how anyone could believe that renting second rate land under the conservation reserve could make any real dent in production. Actually if the law authorized the rental of all the 275 million acres of the 2.6 million small farms, which represent 56 percent of the total farms of the nation, to be put in the Soil Bank, this would retire only 9.1 percent of total commercial production. And that would be contingent upon the larger producers not increasing their production. If such lands were rented at \$10 per acre, this would cost \$2.75 billion annually.

If on the other hand whole farms were not rented, but only part of each farm were retired, under present conditions the individual farmer could take his rent money, buy more fertilizer and better seed and increase his total production.

Also recommended was an increase in the Public Law 480 program—sales for foreign currencies. At best this is only an adjunct to our foreign aid program and does little to regain markets, increase use, or solve our basic problem in Agriculture. Reports from the Department show the Department doesn't even know the price at which these commodities are resold in the respective foreign countries.

COMMODITY CREDIT CORPORATION

For the farm program to have ever worked, the Commodity Credit Corporation, which handles the price support program, would have had to use its authority to sell its commodities in world markets at competitive prices. The Secretary agrees this authority has always existed. (Page 12, Part 1, of the hearings.) This is necessary to keep U.S. commodities available to our customers, to prevent expanded production in foreign lands and to protect the Treasury.

COMPETITIVE SALES AUTHORIZED

The law provides and always has provided for such sales. The law contemplates that the Commodity Credit Corporation will obtain its money to finance its operations to the fullest extent possible from such sales. For years, however, the Department and the Corporation failed to follow that course. In addition to the damage done U.S. producers by holding this umbrella over foreign production, the ill effect on the Corporation and the Treasury has been tremendous.

In January, 1953, the Commodity Credit Corporation was a \$6.75 billion Corporation holding \$2.5 billion worth of commodities and loans. During 1953, 1954, and much of 1955, the Corporation and the Department refused to sell competitively and thereby finance itself by such sale of commodities. On January 1, 1956, the Corporation's holdings had increased from \$2.5 billion to \$8.7 billion.

Since the Corporation did not have the proceeds from these sales on which to operate, the Department requested authority to increase borrowings from the Treasury. Congress approved, and by January, 1956, the Corporation's capital authorization had grown from \$6.75 billion to \$12 billion.

During this period, the Committee frequently pointed out the failure of the Department to sell commodities on a competitive basis throughout the world. It pointed out that this huge corporation, under the control of the Department, was busy taking in commodities, but had no sales organization or sales manager. This Committee directed that the Corporation set up a sales organization with a sales manager. The position has been filled by a very able person. However, a check of the minutes of the CCC Board of Directors clearly demonstrates that the sales manager of the Commodity Credit Corporation has little if any influence in policy determinations. On occasion he has been virtually a salesman, but without authority to sell. The worst example of this is cotton this year when the sales manager was directed not to sell competitively.

The Committee would point out again that this failure to sell competitively in world markets not only has invited expansion in foreign production, it also has increased storage and handling costs to the Corporation and thereby to the Government. Further, where proceeds of sale of these commodities would have been available to operate the Commodity Credit Corporation, the failure to sell has increased the cost of the Department. The Congress has had to increase the borrowing authority of the Commodity Credit Corporation. Thus the Department's policies have resulted in a larger corporation at much greater cost to the Government.

It is now readily agreed that the authority to sell competitively in world markets has always existed. Insofar as other commodities are concerned there is no law requiring competitive sales; but the obligation of the officials of the Commodity Credit Corporation to the American people, and their obligations as officials of that Corporation, would require that commodities on hand be sold in world markets competitively.

COMPETITIVE SALES DIRECTED BY LAW

Failure to sell led to such huge Commodity Credit Corporation holdings, increased the cost of government to such degree and held an

umbrella over foreign producers (who to a great degree were American, financially) that in 1956 Congress passed the Agricultural Act of 1956, directly requiring the Secretary of Agriculture and the CCC to sell cotton in world markets at such price as may be necessary to reestablish and maintain the United States' fair share of world markets. The Secretary and officials of the Department agree that during the current year the Department has not offered cotton competitively for a variety of reasons. The Comptroller General, in an opinion which is to be found on page 2365, Part 4 of the hearings, states that this failure was in violation of the law. The Comptroller General states:

This action, in our opinion, does not comply with the requirements of section 203 of the Agricultural Act of 1956 (7 U.S.C. 1853).

It is to be noted that this failure to sell, as authorized by law for other commodities and as directed by law and in violation of law, insofar as cotton is concerned, has contributed substantially to the increased size and present investment of the CCC. Had the Department offered cotton competitively this year and sold cotton up to the point of our normal share of world markets, enormous benefits would have accrued to the American cotton producer in removing the incentive for foreign expansion. In addition, the CCC would have had more than one hundred million dollars of sales receipts to use for its general operation. These millions of dollars on hand would have reduced by that amount the necessary borrowing of the Corporation, which is the other means for the Corporation to meet its obligations.

The Committee is advised that a meeting of the International Cotton Advisory Committee is to be held here May 14-22. We strongly urge that the Agricultural Act of 1956 which directs "competitive sales to the point of restoring and maintaining the U.S. fair share of world markets" be clearly pointed out at such meeting. We believe this necessary to prevent future misunderstandings.

PROCEEDS SHOULD BE USED TO FINANCE CCC OPERATIONS

The Committee, in its efforts to have this Corporation meet its financial needs to the maximum extent possible from sale of commodities, and in its efforts to reduce the need of the Corporation to ask the Congress for appropriations or increased borrowing authority, has reduced the requested funds for restoration of capital impairment of the Corporation by \$100 million. This amount can be obtained by a return to competitive sales, as directed by the law.

The Committee has perhaps waited far too long to take this type of drastic action to force the Corporation to sell its commodities, reduce its storage costs, and meet its operating needs to the fullest possible extent from the proceeds of sales. The Committee expects to review future action or lack of action of this Corporation and expects to insist

that this approach be fully utilized, so that capital impairment restorations can be limited to losses from sales. In its opinion, the borrowing authority of the Corporation should be used only as funds from sales fail to meet the needs of the Corporation.

MEETING INCREASED NEEDS FOR SERVICES

Many Members of Congress and non-Government witnesses appeared before the Committee again this year in support of various activities of importance to Agriculture. Some of these activities were included in the 1960 Budget and are provided for in the accompanying appropriation bill. Many of them, however, were not in the Budget and could not be included in the bill.

It appears to the Committee that many of these projects have merit and should be given further consideration by the Department in working out its program for fiscal year 1960.

The Committee recognizes that there is an ever-increasing demand for research, extension, marketing services, and other functions performed by the Department. It also recognizes that under present conditions there is a practical limit to the amount of funds which can be provided for these activities each year. Therefore, to make it possible to take on new and more promising lines of work from time-to-time, within annual appropriation limitations, it is recommended that the Department consider several courses of action.

First, it should review carefully present work underway and discontinue activities which have become of marginal value. This is especially important in the research field, since results are hard to measure and the particular value in some instances is hard to determine.

Also, it should redirect present activities in the direction of the new needs to be met. It is essential that the programs of the Department be kept flexible in order to meet the ever-changing demands of a growing and changing Agriculture.

Further, it should adopt a program of contractual arrangements on a cooperative basis with private industry wherever possible. This type of arrangement could be particularly effective in the field of research. The Department could greatly expand its work within existing funds, by arranging for private organizations interested in certain lines of work to finance a portion of the cost and to participate directly in the projects undertaken.

This should have benefits both to the Government and to the cooperating organizations. It should enable the cooperating organizations to exercise closer direction over the work being done to make certain that the results meet their needs. It would also enable the Department to satisfy more of the demands made upon it. Further, the close association with representatives of private industry should be of value to the Government personnel involved.

The Committee realizes that, in the final analysis, it is a matter of determination by the Department as to the relative importance of the additional projects, as compared to work already underway. Such determinations must be made by the Department each year in planning and operating its programs within funds available. Since it does not seem reasonable to assume that all new needs should be met by providing additional funds year after year to meet these new needs, it becomes increasingly essential that the Department give consider-

ation to the proposals outlined above as a means of meeting the problem.

ADDITIONAL RESEARCH FACILITIES

One of the chief costs to cotton producers back through the years has been the damage by boll weevil. It is estimated that the boll weevil damage through the years has totaled many billions of dollars. Recognizing this situation last year the Committee provided funds and directed the Department to make a thorough study and present recommendations to the Committee for a research program and laboratory to work on this problem of the boll weevil.

The Department set up a special committee to make this investigation. The special committee made such investigation and did a fine job of presenting the needs in this field. The special committee made recommendations to the Department. We had hoped by this time to have firm plans submitted to the Committee. However, the Department has not yet reached any conclusions on such recommendations, and has made no recommendations to this Committee. It has no concrete plans at the present time.

While the Committee strongly supports the necessity for such research laboratory and research, it is in the position of not having concrete proposals, plans, nor recommendations from the Department. The majority of the members of the Subcommittee do not feel they are in position to provide funds prior to a firm conclusion by the Department, supported by a submission of detailed plans for construction and operation of such laboratory. Though we have not provided funds in this bill, in view of the circumstances, we strongly urge the Department to proceed to make a firm determination in this matter, and submit its plans in detail to the subcommittee.

Also, last year this Subcommittee called on the Department to make investigations as to need for further soil and water conservation research throughout the Nation. In this field, too, the Department appointed a special committee to make such a study. The special committee in turn submitted its proposals to the Department for review. The Department referred a copy of such study to the subcommittee without comment or recommendation.

The special committee report proposes construction and equipping of 11 new research facilities and the expansion of 28 existing research stations. It further proposes increases in annual operating funds for 66 existing locations. It proposes a major construction program of \$20 to \$25 millions—and this cost may be much higher when firm estimates are developed. It also proposes to add \$19 to \$20 million annually to the operating costs of the Department.

The report appears to the Committee to be primarily a catalogue of all of the needs throughout the Country which can possibly be foreseen. Actually it appears to include everything that everyone in every area of the Nation wants, without any priority listing or supporting evidence of need.

In the absence of firm recommendations from the Department, and in the absence of budget estimates supporting such a program, or any portion thereof, the Committee has not acted on the findings in this report. The members of the Committee trust that this report will have further study by the Department and that recommendations will be forthcoming from the Department and the Bureau of the

Budget at such time as firm plans have been made and budget estimates have been developed.

MEAT AND POULTRY INSPECTION

In considering the meat and poultry inspection programs; the Committee has become seriously concerned with the current and potential levels of appropriations for these two activities.

The Committee is not unmindful of and is sympathetic with the basic intent of the acts under which these programs are operated, i.e., to prohibit the sale of products from diseased animals or birds and to assure a sanitary product. However, the Committee is concerned with the extent of inspection activities now required, and the current and potential expenditures associated therewith, which appear to go far beyond those necessary to protect the public from disease and health hazards.

Sizable expenditures of public funds for additional inspection of food products containing only portions of meat and poultry which have already been officially inspected and passed for wholesomeness can be seriously questioned as being in the public interest from the standpoint of health protection. There appears to be little merit to or public health protection from providing such costly inspection services at public expense. Inspection services at public expense, designed to assure such things as composition and ingredients of food products merely because they contain meat or poultry is a luxury we can ill afford in view of more important uses for the taxpayer's dollar.

In view of the Committee's concern in this matter, and in view of the continuous expansion in the field of prepared or convenience-type foods containing meat and poultry, the Department is directed to (a) review its meat and poultry inspection programs to assure that funds made available in the bill are used to provide adequate inspection of livestock and poultry at time of slaughter; (b) review policies and procedures for inspection of food products containing meats or poultry subject to the Acts, with a view to eliminating or reducing these requirements, including consideration of legislative changes as may be necessary; and (c) submit a report to this Committee on its findings and actions.

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service conducts the production and utilization research of the Department (except forestry research), and the inspection, disease and pest control, and eradication work associated with this research.

Research.—The Committee recommends \$63,961,590 for the coming year for the research activities of this agency, which is \$278,410 less than the budget estimate. This provides an increase of \$1,250,000 over funds provided for fiscal year 1959, as follows: \$200,000 for construction and improvement of facilities at the National Arboretum; \$600,000 to construct facilities for crops research at Logan, Utah; \$200,000 for research on cotton mechanization and ginning at the Delta Experiment Station, and \$50,000 for quality evaluation at Clemson, S.C.; \$100,000 for various special needs, including research to meet the problems of mushrooms, research on grapevine virus diseases, research on diseases of hogs, and expanded research on soil

and water conservation; and \$100,000 for additional research on the utilization of corn and grain sorghums.

The funds provided for the National Arboretum will complete a long-range program of improvements to make the facilities of the Arboretum fully available to the general public. These improvements include the completion of greenhouses, entranceways, grading, foot paths, trails, the construction of two residences, and a flood wall along Hickey Creek. Construction of the headquarters office and laboratory building will be proposed at a later time.

The \$600,000 recommended for a new laboratory at Logan, Utah, covers plans, specifications and the cost of construction of facilities needed to serve as headquarters for research on sugar beets, nematodes, forage and range plants, and new crops in the Intermountain Area. The property used for many years to provide facilities for sugar beet research at Salt Lake City, Utah, is to be sold on June 30, 1960. The new facilities provided herein are needed to replace the Salt Lake City Laboratory for the continuation of these research programs.

The demand for increased efficiency in the cotton industry has led to many technical improvements in cotton production, harvesting, ginning, and spinning. These new developments, however, have brought with them some serious problems. For example, mechanical harvesters gather substantial amounts of trash and foreign matter with the picking of cotton. Also, the use of heat at the gin to dry cotton, coupled with cleaning machines, frequently breaks and damages the fibers. The Committee has included \$250,000 to initiate a program of research designed to improve the handling of cotton and to prevent further deterioration in the quality of cotton products.

The Committee feels that the research work of the Department relative to the utilization of corn and grain sorghums holds promise. The research being performed at the Northern Research Laboratory at Peoria, Illinois on such projects as high-amylose corn and artificial drying of corn should prove to be of great value to the grain industry. To speed up this work, the Committee has added \$100,000 to the bill for further research in this area.

The need for modern electronic equipment in connection with the dairy herd improvement program has been brought to the Committee's attention by numerous individuals. In view of the importance of this system to the records of proved sires, the Department is requested to give this matter careful consideration in connection with next year's Budget.

Also the need for further expansion of the USDA Southwestern Great Plains Field Station has been presented to the Committee during hearings for the past several years. The Committee hopes that the Department will also give this need further consideration for next year.

The Committee has received many complaints from people in various parts of the country concerning the program now underway to eradicate the fire ant in the southern part of the country. The record of the hearings on the 1960 Budget is full of statements and communications on this subject. Officials of the Department are requested to review this matter so as to eliminate as far as possible any harmful features of this program. In particular, further study should be given to the aerial application of insecticides to make certain that only granular poison is used. In addition, the Committee feels that this

program should be undertaken only in those areas where the local governments and the landowners have given their consent.

Testimony before the Committee indicates that the Department's research work at many of its laboratories and field stations is suffering from the lack of adequate labor and other subprofessional assistance to relieve the higher-paid scientists of the more routine duties involved. The Committee feels that more effective research work could be done if arrangements were made under contract or through cooperative agreements to employ help needed in preparation of experimental plants, harvesting of experimental crops, caring for experimental animals, and care and maintenance of buildings, equipment, and other research facilities. To enable the Administrator of the Agricultural Research Service to meet this problem, the Committee has included language which will carry forward \$1,000,000 of unused funds from the 1959 appropriation for this purpose.

The bill also includes language transferring to the Department of Agriculture approximately 19 acres of land at Orlando, Florida, which is excess to the needs of the Department of Defense. About 9 acres of this tract, on which are located World War II temporary barracks-type buildings, are currently being used by the Department of Agriculture for research on the biology and control of insects. In order that this research work might not be interrupted, the Committee has approved the proposed land transfer. However, in view of the intensive business use of adjacent property as a shopping center, and the very high value of the tract in question for commercial development, the Committee seriously questions the desirability of the continued use of the tract as an agricultural research station. The Department is, therefore, requested to select possible alternative locations for this research and to submit its recommendations for the consideration of the Committee.

Plant and animal disease and pest control.—A total of \$48,340,600 is proposed for fiscal year 1960, a decrease of \$769,400 in the budget estimate and a decrease of \$4,472,100 below the 1959 appropriation. The amount recommended includes increases of \$152,900 for control of the soybean cyst nematode and \$400,000 for eradication of vesicular exanthema of swine. The amount approved also provides for a reduction of \$5,000,000 in the brucellosis program and a transfer of leasing costs of \$25,000 to the General Services Administration.

The soybean cyst nematode was first discovered in North Carolina in 1954. Infestations have now spread to 22 counties in Arkansas, Kentucky, Mississippi, Missouri, North Carolina, Tennessee, and Virginia. Soybeans are being grown on 24 million acres this year in the United States and the annual value of the crop is approximately \$1 billion. In view of the spread of this infestation and in view of the value of the crop involved, the Committee has provided the increase listed above. This will enable the Department, in cooperation with the affected States, to conduct surveys as to the extent of infestation, to enforce Federal quarantines to prevent further spread, and to encourage adoption of farm practices to hold the infestation to a minimum.

Vesicular exanthema is a highly infectious disease of swine which is most often spread by contact with infested swine, contaminated shipping and handling facilities, or the feeding of raw garbage. This disease reached emergency proportions in 1953 and the Department has been in the process of eradicating it since that time. While it has

been almost entirely eradicated, some funds are needed next year to maintain a small force to discover new cases promptly and to stamp out infection before it spreads. In the past, the program has been financed on a reimbursable basis through the Commodity Credit Corporation. It is believed preferable to finance it in the future by direct appropriation, since the program has no connection with activities of that organization.

During its special study of the swine industry a disease of small pigs known as "transmissible gastro enteritis" and designated as TGE came to the Committee's attention. It is understood that this disease has reached serious proportions in certain parts of the corn belt. Apparently, the Department has little information on the subject and is conducting no research on the problem, other than through a small project in cooperation with Purdue University. In view of the potential threat to the swine industry from this disease, the Department is requested to study this matter during the coming year.

Meat inspection.—The Committee recommends the sum of \$21,135,100 for 1960 for this activity. This is an increase of \$350,000 over funds available for 1959. It is a reduction of \$339,900 in the budget estimate.

The Supplemental Appropriation Act of 1959, approved August 27, 1958, provided an additional \$1,750,000 to meet the increasing work load of this activity. That appropriation covered operations for only 10 months of the fiscal year 1959. The increase set forth above is provided to cover a full 12 months' cost in fiscal year 1960.

During the last session of Congress and again this session, legislation has been introduced which would permit the Department to perform meat inspection services through officers or employees of State agencies. The Committee feels that this may offer a partial solution to the problem of meeting increased demands for meat inspection. It urges the Department, to give such approach thorough consideration in preparing future budget estimates for this activity.

The Committee also wishes to encourage the Department to give further study to the possibility of placing less emphasis on quality control in connection with its meat inspection function.

State experiment stations.—An appropriation of \$31,803,708 is recommended for grants to State experiment stations for fiscal year 1960. This amount, which is the full budget estimate, includes \$31,553,708 for payments to States and \$250,000 for the penalty mail costs of this program.

Recommendations for rather substantial increases for this activity were received by the Committee from numerous individuals and from representatives of some of the National agricultural organizations. The Committee feels that the research being done by these experiment stations is important and worthwhile and wishes to commend those responsible for this work. It recommends that the Department give consideration to the possibility of further increases in this appropriation in next year's budget.

EXTENSION SERVICE

The cooperative agricultural extension work of the Department aids in making available to the people of the United States useful and practical information on subjects relating to agriculture and home economics and encourages the use of such information. The

work is carried on by incorporating research results, technological advancements, and other facts of the Department, the agricultural colleges, and the experiment stations into a national educational program to provide the means by which people can solve their farm, home, marketing and relating problems. The Extension Service is financed from Federal, State, county and local sources, and the use of funds provided is under the control of the States. The funds are used within the States for employment of State specialists, county agents, home demonstration agents, 4-H Club agents, and others who conduct among rural people joint educational programs adapted to local problems and conditions.

Payments to States, Hawaii, and Puerto Rico.—The full budget estimate of \$53,715,000 is provided for fiscal year 1960. This is the same amount as was appropriated for fiscal year 1959, prior to transfers to various other programs of the Department to cover increased pay costs, as authorized by the Second Supplemental Appropriation Act, 1959.

On November 30, 1958, there were approximately 15,000 extension field agents. The funds provided in the accompanying bill will permit continuation of this program on the same basis in the coming fiscal year. To the extent that additional funds are contributed by States or local organizations, some expansion will be possible.

Retirement costs for extension agents.—The budget estimate of \$5,674,375 is included in the bill for 1960. The increase of \$195,000 over the 1959 appropriation is provided to cover the Federal contribution to the retirement fund.

It is estimated that State and county funds will increase by \$4,000,000 in 1960 and that 75 percent of this will be used for salaries of additional extension agents. Since all extension agents are joint employees of both the Federal Government and the cooperating land-grant institutions, and are covered by the provisions of the Civil Service Retirement Fund, additional Federal retirement contributions will be required for the additional agents expected to be employed with State and local funds.

Penalty mail.—The Committee recommends the full budget estimate of \$2,491,307 for penalty mail costs of State extension directors and county extension agents during the coming year, as authorized by law. This is a continuation of the amount available for the current fiscal year.

Federal Extension Service.—The Federal Extension Service provides the leadership, counsel and assistance to the extension services in the 49 States, Hawaii and Puerto Rico. As of November 30, 1958, there were 246 employees in this part of the organization, 237 of whom were headquartered in Washington.

An appropriation of \$2,242,540 is approved for the fiscal year 1960. This is the same amount as is available for 1959, and is \$16,255 less than the budget estimate.

FARMER COOPERATIVE SERVICE

This Service conducts research, advisory and educational work with cooperatives on problems of organizations, financing, management policies, merchandising, costs, efficiency, and membership, to help farmers who are members of such organizations improve the operations

of their businesses. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. The Service also advises other Federal agencies on problems relating to agricultural cooperatives.

The Service carries on its work through three program divisions—Marketing, Purchasing and Management Services. On November 30, 1958, the Service had 114 employees, all stationed in Washington.

The sum of \$615,800 is recommended for the coming fiscal year. This is the same amount as was appropriated for fiscal year 1959, and is a reduction of \$4,200 in the budget estimate.

SOIL CONSERVATION SERVICE

The Soil Conservation Service assists soil conservation districts and other cooperators in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection activities in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

Conservation operations.—The Committee has provided \$82,322,000 for the coming year, an increase of \$1,250,000 in the budget estimate and an increase of \$1,760,400 over the appropriation for fiscal year 1959.

It is estimated that 30 new districts will be organized during the present fiscal year and that an additional 25 districts will be formed during fiscal year 1960. As has been the case each year in recent years, no additional funds were included in the 1960 Budget to cover the staffing of new districts during the coming fiscal year. Without such additional funds, the needs of the new districts would have to be met by the transfer of technicians from existing districts, which would spread existing personnel thinner.

As pointed out in previous reports, the Committee feels that some expansion in funds and personnel is necessary each year as new districts are organized. The basic law guarantees the services of soil conservation experts to all districts, both new and existing ones. Therefore, the Committee has provided additional funds for next year to assure adequate assistance to all of the 2,861 districts expected to be in existence by June 30, 1960, and to meet the needs in watershed and flood prevention work.

The assignment of personnel on a county or bi-county basis has worked very well in the past. However, a number of complaints have come to the Committee this year concerning the abolishing of county units in favor of a district type of operation. Reports have been received that some of this reorganization is for the purpose of raising grades of certain of the personnel concerned. The Committee seriously questions whether or not operating out of district offices will permit the technicians to do as good a job as has been possible under the county or bi-county arrangement.

Watershed protection and flood prevention.—The bill carries \$25,500,000 for watershed protection and \$18,000,000 for flood prevention, the amounts appropriated for fiscal year 1959. This repre-

sents an increase in the budget estimates of \$5,500,000 for watershed protection and \$3,000,000 for flood prevention.

Testimony before the Committee indicates that local interest continues to grow in the watershed program. During 1958 fiscal year 175 new applications for watershed project assistance were received from local sponsors, bringing to 887 the total received as of June 30, 1958. These applications cover over 69 million acres of watershed lands in 47 States and Territories. As of December 12, 1958, an additional 121 new applications have been received in the fiscal year 1959. It is estimated that a total of 1,337 project applications will be under consideration by June 30, 1960.

Watershed needs, judged by this willingness of local organizations to participate, far exceeds that of the Great Plains Program, for which a budget increase was requested. Therefore, funds for watershed projects have been restored by the Committee to the 1959 level. It is the intention of the Committee that planning funds be restored in full also.

Work on the eleven major watersheds financed through the flood prevention appropriation is still far behind a reasonable rate of progress. At the time this program was initiated in 1944, it was estimated that the projects would be completed in about 15 years. The 15 year period has now passed, yet the average rate of completion is only about 28 percent. It is estimated that it will take another 20 years to complete some of these projects, on the basis of the amount of funds requested in the 1960 budget.

To permit the work on the major watershed projects to proceed as rapidly as possible, the Committee has restored flood prevention funds to the 1959 level. In view of the constantly increasing costs of construction, earlier completion should result in a saving in the total cost of these projects.

The Committee has been informed of the effectiveness of watershed protection and flood prevention projects during the storms of April, May, and June, 1957, in Texas, Oklahoma, and Arkansas. The land treatment and structural measures installed on the small upstream watersheds were responsible for preventing an estimated flood damage of \$2,162,000 during this period in the tributary waterwheds in the three-state area. Treatment had been completed in only a small part of the area, principally, in the Trinity River Watershed in Texas; in the Washita River Watershed in Oklahoma; and in six pilot watershed projects, four of which were in Texas, and one each in Oklahoma and Arkansas. Had complete watershed protection been applied to all of the small watersheds in the three-state area susceptible to such protection, it has been estimated that flood damages would have been reduced by an additional \$107,158,000. Without any watershed protection in this area, an estimated \$159,000,000 of flood damage would have been experienced.

Water conservation and utilization projects.—The budget estimate of \$75,000, a reduction of \$260,000 below the 1959 appropriation, is recommended for 1960. The amount will permit further work on the Eden Valley project in Wyoming, which is expected to be completed in 1962.

Great Plains conservation program.—The accompanying bill includes \$7,500,000 for the coming fiscal year. This is a decrease of \$5,000,000 in the budget estimate and is a decrease of \$2,500,000 below the appropriation for fiscal year 1959.

The participation in this program has not been as large as originally projected by the Department. In fiscal year 1958, only \$5,636,148 was obligated for this purpose, leaving an unused balance of over \$4 million available for fiscal year 1959, in addition to the 1959 appropriation of \$10,000,000. As of March 31, 1959, only \$7,095,531 of the \$14,373,853 available for 1959 had been committed. At this rate of obligation, a large carryover balance of funds will be available in fiscal year 1960 in addition to the new appropriation of \$7,500,000 included in the bill. Thus, between \$10,000,000 and \$12,500,000 will probably be available in 1960 for this program.

AGRICULTURAL CONSERVATION PROGRAM

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by water and wind, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost-sharing assistance to individual farmers and ranchers for carrying out approved soil building and soil and water conserving practices on their farms. The Federal assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost—50 percent on the average—and in addition supplies the labor necessary to carry out the practice.

An appropriation of \$241,500,000, the full budget estimate, is recommended for fiscal year 1960 to meet the commitments for cost-sharing practices applied throughout the country under the 1959 program authorization of \$250,000,000. The amount recommended is estimated to be the full amount needed to meet the commitments due under the 1959 program.

In addition, the Committee recommends an advance program authorization of \$250,000,000 for 1960. The Budget proposed to reduce this authorization to \$100,000,000 for 1960, a reduction of \$150,000,000 in the amount which has been carried in the bill each year for a number of years. This is the fourth time since 1953 that a substantial cut of this nature has been proposed by the Budget.

The Committee received a large amount of testimony again this year from "dirt farmers," Members of Congress, representatives of farm organizations, and others, in support of this program. This testimony, which appears in Part 4 of this year's hearings, contains convincing evidence as to the real value of this program to the farmer and to the entire Nation.

Approximately 1¼ million farmers participate in this program each year. This is about 25 percent of all farming units in the nation. In comparison, there are less than 125,000 participants in the Conservation Reserve Program (Soil Bank), for which the Budget proposes an advance program authorization of \$375,000,000 for 1960.

The Committee has been contacted by some Members of Congress and others who wish to be certain that no agricultural program adversely affect the pot hole lands of the North Central Area. Such area is an important breeding ground for ducks. The Department was requested to furnish the Committee with a report on the facts involved. The Department's report is as follows:

No Federal funds or technical assistance are provided by the Department of Agriculture to drain land for the purpose

of developing new farms or for the primary purpose of bringing new land into crop production. We do provide assistance through the Agricultural Conservation Program Service and through the Soil Conservation Service to help farmers conserve and protect their agricultural land and improve their operating efficiency through improved land use and through conservation practices. Improved drainage of existing crop and pasture land is one of these eligible conservation practices and is frequently essential to the application of other needed soil and water conservation measures.

Potholes are not eligible for drainage assistance from the Department of Agriculture. Specifically our policy provides that Federal cost sharing will not be allowed for drainage practices other than on land already devoted to the production of cultivated crops or crops normally seeded to hay or pasture.

The Department of Agriculture considers wildlife as a crop from the land and has an economic value to nonfarm people and to farm families as well. Under present Department of Agriculture programs of providing positive assistance to wildlife development as well as assistance to improved management of land and water, it has been fully demonstrated that good farming and improved wildlife resources can exist side by side.

Through the Department's Agricultural Conservation Program, the Conservation Reserve Program and Soil Conservation Service, hundreds of thousands of farmers are applying soil and water conserving practices that provide wildlife benefits on millions of acres of land, in addition to other major benefits. These measures include habitat in the form of vegetative cover as well as structures that impound water. In the year 1957 alone about 70,000 such structures were installed by farmers with cost sharing and technical assistance from the Department of Agriculture. The Department's programs have resulted in a substantial net increase in available surface water beneficial to wildlife.

While some of these lands are not primarily agricultural lands, the imposition of a flat prohibition as suggested by some would eliminate some farmers from a national program. This the Subcommittee does not believe to be sound, since few of this limited number of farmers will avail themselves of such program, and thus will not have any noticeable effect on the situation the wildlife organizations wish to protect. The Committee requests the Department to cooperate fully in protecting these lands for wildlife refuges, however.

The attention of the Committee has been called to the changes in procedures relating to the transfer of Agricultural Conservation Program funds to the Soil Conservation Service for technical services on certain ACP practices beginning with the 1959 program. The Committee understands that the primary purposes for the changes in 1959 were to (1) require careful planning and assure mutual understanding between the agencies concerned at the county level with respect to the extent to which technical services would be furnished by SCS, and (2) place the transfer of ACP funds on a reimbursable basis

in order to simplify fiscal procedures—including adequate accountability to State and county ASC committees for funds transferred.

It is the intent of the Committee that agreements between the county ASC Committees and SCS provide up to 5 percent of county program fund allocations for the added expenses to SCS resulting from the Agricultural Conservation Program. The Committee is in complete accord that there be a requirement for a simple but practicable determination and mutual understanding of the demands which will be made upon the Soil Conservation Service for technical services and the extent to which this workload is to be borne by reimbursement from ACP cost-sharing funds. However, the Committee feels that the Department should give further study toward the simplification of (1) the processes involved in estimating the needs for technical services to be furnished by SCS and (2) the actual determination of costs of technical services rendered to ACP. The study should include the feasibility of using a flat charge per hour for technical services similar to that which has been developed by the Department in carrying out other reimbursable activities, such as certain inspection and regulatory activities. Changes should be made which would materially reduce the current workload in SCS in computing and reporting upon the cost of services rendered ACP without requiring minute calculation of each element of cost. This would also have the further advantage of permitting the county ASC Committee to better estimate the cost of services to be rendered.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service aids in advancing the orderly and efficient marketing and the effective distribution of products from the nation's farms. The domestic marketing and distribution functions of the Department are centered in this Service. The Administrator is also responsible for the coordination of all statistical work of the Department. The functions of the Service include the following: marketing research; analyses of economic data; crop and livestock estimates; market news services; inspection, grading, classing, and standardization of farm products; freight rate services; regulatory activities; cooperative programs in marketing; the School Lunch Program; removal of surplus agricultural commodities; and marketing agreements and orders.

Marketing research and service.—An appropriation of \$39,907,100 is proposed for 1960, including \$15,044,500 for marketing research and agricultural estimates and \$24,862,600 for marketing services. The amounts recommended are \$1,990,400 over the 1959 appropriation and are a reduction of \$2,152,900 in the budget estimates.

A reduction of \$294,600 has been made in the marketing research activities of this organization. While the consumer preference studies have been of value in the past, the Committee feels that this work should be suspended for the coming year to provide funds for what appear to be more urgent needs elsewhere.

The increase provided for marketing services includes \$45,000 to cover higher rates approved by the Federal Communications Commission for leased teletype facilities for market news services, \$2,000,000 to provide service under the Poultry Products Inspection Act on a full year basis, \$250,000 for administration of the Packers and Stockyards Act, less a deduction of \$33,967 for leasing costs trans-

ferred to the General Services Administration. The amount approved also includes \$24,000 for various special needs which were brought to the Committee's attention during the hearings.

For example, the development of objective methods of forecasting and estimating production of cling peaches appears to be an important matter in the peach growing areas of the country. Further, the Department should review the need for crop and livestock reporting services in Alaska. In addition, \$6,000 of the funds provided in this bill should be earmarked for establishing of a market news service on fruits and vegetables at Blythe, California. It is understood that the State of California will match these funds to finance this service.

Mandatory poultry inspection was initiated on May 1, 1958. As of March 19, 1959, a total of 472 plants were receiving inspection service under the Act. It is estimated that a total of about 650 eviscerating and slaughtering plants will be qualified for such service by June 30, 1959. An appropriation of \$6,500,000 was made for 1959 for this activity. The increase provided for fiscal year 1960 will provide funds for placing inspection on a full-year basis in all eviscerating plants and should enable the Department to carry on this work at a satisfactory level during the coming year.

Changes in the Packers and Stockyards Act adopted in the last session of Congress brought all livestock transactions in interstate commerce, regardless of the size of the market, under the supervision of the Department. This has increased the number of yards subject to the Act from about 1,000 to an estimated 2,100. In order to enable the Department to meet this added responsibility, the increase of \$250,000 is provided for next year.

Payments to States, Territories, and possessions.—The full budget estimates of \$1,160,000 is included in the bill for 1960. This is the same amount as was provided for fiscal year 1959. Payments under this appropriation are made on a matched-fund basis to State and territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

The Committee is aware that the Federal share of these funds has not kept up with the amount originally proposed. The Department is requested, therefore, to make a thorough study of the value of increasing the emphasis to this approach in the field of market development in preparing the budget submission for next year.

School lunch program.—The school lunch program provided noon-day meals to about 30 percent of the Nation's 39 million school children in the fiscal year 1958. Peak participation was 11.5 million children in 1958, an increase of 8 percent over 1957.

This program utilized 3.5 billion pounds of food, of which 3.2 billion pounds were purchased in local markets and 0.3 billion pounds were donated by the Department. A total of over \$853 million was spent through this program in 1958, \$240 million from Federal sources and the balance from State and local sources.

For the fiscal year 1959, the Congress appropriated \$110,000,000 for this program. In addition, it provided for the transfer of \$35,000,000 from Section 32 funds to Section 6 of the school lunch program to be used to purchase foods needed for school lunches.

The Committee was not at all satisfied with the Department's handling of purchases under the transfer arrangement. It was intended that these funds would be used to provide high protein

foods, principally red meats, to supplement the foods otherwise used in the program. While a considerable quantity of turkeys was provided to the schools from this money, it was not until late in the year that a pork purchase program was undertaken. And no beef was ever provided from this source.

The most unfortunate aspect of this failure to provide the red meats as expected was that most of the schools had arranged their annual operating budgets and set their meal prices last fall with full expectations of receiving this additional food assistance. Many of the schools have been faced with deficits during the year as a result.

In order to prevent this situation from developing in the coming year, the Committee has provided for the direct distribution to the schools of the entire amount of the transfer from Section 32, to be used for the purchase of necessary food items.

The Committee has provided an appropriation of \$110,000,000 in the 1960 bill, the same amount as was appropriated for fiscal year 1959. In addition, it has included language which will transfer to the program the estimated unused balance of Section 32 funds for 1959 of \$43,657,248. This will provide a total of \$153,657,248 for school lunches in the coming fiscal year.

Since it is preferable to use CCC commodities to feed school children than to keep them in storage, the Department should do everything possible to make certain that commodities are made available to the school lunch program in such quantities as can be advantageously used. The Committee recommends that the Department make determination each 30 days as to the commodities which are available for this purpose from CCC stocks, and notify school lunch authorities promptly of the specific items and quantities available for distribution to the schools.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service develops plans and policies related to the administration of the foreign affairs and interests of United States agriculture. It gathers, analyzes and disseminates to American agriculture basic information on foreign marketing of United States agricultural products. It coordinates and directs a worldwide agricultural attache service with particular emphasis on the development of markets for American products and on trade reporting from foreign areas designed to aid the American farmers and exporters.

The budget estimate provides a total of \$7,421,300 for the operation of this activity during the coming year. Of this amount, \$4,268,300 is requested as a direct appropriation and \$2,593,000 is requested as a transfer from Section 32 funds. In addition, the use of \$560,000 in foreign currencies derived from sales under Public Law 480 is proposed.

The Committee recommends total funds for fiscal year 1960 of \$7,321,300. Of this amount, \$3,518,300 is provided by direct appropriation, \$2,493,000 is provided by transfer from Section 32, and \$1,310,000 is provided from Public Law 480 local currencies. Since local currencies are now available in large amounts, the Committee feels that they should be used for a greater part of the expenses of the Foreign Agricultural Service operations than heretofore.

In addition to the above, the Department plans to use an estimated \$9.2 million for market development work abroad in fiscal year 1960. The objective of this work is to maintain and expand present export

markets for U.S. commodities and to develop new foreign markets for such commodities. To provide more complete information concerning the conduct of this work, it is requested that the budget estimates for fiscal year 1961 carry a full justification of all projects proposed, as well as language authorizing the use of a specific amount of foreign currency for this purpose.

The Department has been requested to develop information on prices for which Public Law 480 commodities are sold by foreign governments. The Committee would appreciate receiving this information as soon as it is available.

COMMODITY EXCHANGE AUTHORITY

The objectives of this Agency are to prevent commodity price manipulations and market corners; prevent dissemination of false and misleading crop and market information; protect hedgers and other users of the commodity futures markets; insure the benefits of membership privileges on contract markets to cooperative associations; insure trust-fund treatment of margin moneys and equities of hedgers and other traders; and provide information to the public regarding trading operations and contract markets.

The bill carries an appropriation of \$909,500 for fiscal year 1960. This is an increase of \$16,300 over 1959 funds and is \$9,500 more than was requested in the Budget. The amount recommended is based on the regular 1959 appropriation of \$832,000, plus \$77,500 to cover the full cost of the pay act increases approved last year.

The Committee does not feel that this organization should be required to absorb the cost of its salary increases, due to the small number of personnel and the essential nature of its work. Also, this agency has been very economically operated throughout the years, with a steadily decreasing number of employees, despite constantly increasing demands on its personnel.

SOIL BANK PROGRAMS

The Soil Bank Act authorized an acreage reserve program and a conservation reserve program to assist farmers to divert cropland from the production of excessive supplies of agricultural commodities, and to carry out a program of soil, water, forest, and wildlife conservation. In 1956 and 1957, the programs were financed from funds of the Commodity Credit Corporation pursuant to Section 120 of the Soil Bank Act, which authorized the Secretary to utilize the facilities, services, authorities, and funds of the Corporation in carrying out the Act from its enactment through June 30, 1957. Since fiscal year 1958, the programs have been financed by direct appropriations.

The acreage reserve program was discontinued after the 1958 crop year. Final liquidation of the program will be carried out in the fiscal year 1960. This will involve handling of violations of agreements, adjustment of payments, claims, preparation of records of individual payments, and other liquidation activities.

An appropriation of \$310,000,000 is provided to pay off obligations under the 1959 Conservation Reserve and to meet operating expenses of that program. For the 1960 crop year, the Committee recommends an advance authorization of \$325,000,000. Both amounts recommended are \$50,000,000 less than proposed in the Budget.

The record of the Soil Bank programs raises many serious questions as to the advisability of continuation of the conservation reserve program. Hearings of this Committee have been filled with examples of the weaknesses of this program and the abuses to which it is subject by its very nature. The hearings this year include further examples of the waste and inefficiencies which are inherent in the program.

The testimony presented this year also raises a fundamental question as to the real purpose of the conservation reserve program. The Assistant Secretary in charge stated during the hearings that the "primary purpose of the program is to divert cropland from production of excessive supplies of agricultural commodities." In view of the fact that the acreage reserve program did not prove effective in reducing production and was discontinued upon recommendations of the President and the Secretary, it is difficult to understand how the Conservation reserve in its present form can be expected to accomplish this purpose.

Since the primary justification for continuation of the conservation reserve is to reduce production, the Committee has included language in the bill which will require that payments for land retirement be based on the value of actual production reduced.

The conservation reserve may have some value as a conservation program, since one of its objectives is to put cover crops on land retired from production and place it in a stand-by reserve. In the opinion of a majority of the members of the Subcommittee, however, this conservation objective can be handled in a much more effective way through the other soil conservation programs of the Department, particularly the Agricultural Conservation program, commonly referred to as ACP.

During the hearings, it was estimated that the conservation reserve program will cost between \$2.5 and \$3 billion during the fifteen-year period provided by the present Soil Bank Act. If extended another 3 years, as recommended by the President, it will cost another \$1.5 to \$2 billion. This is a total possible cost to the taxpayer of between \$4 and \$5 billion. In view of the potential size of the commitments which can be made under this long-range program, the Committee has included language in the bill to limit contracts to a period of 5 years. It is hoped that such a provision may help to hold down this tremendous expenditure in future years.

The Committee has not included language in the bill limiting the placing of entire farms in the conservation reserve. It is the opinion of the Subcommittee, however, that the removing of any sizeable number of farms in their entirety in any given community would do far more damage to the local community than any benefit which might come from such added reduction in farm out-put. The Department is urged to proceed very cautiously on this matter.

No funds have been approved for liquidation of the acreage reserve program. It is recommended that these liquidating functions be performed by the regular staff handling the conservation reserve. There appears to be no reason to maintain a separate staff for this purpose.

COMMODITY STABILIZATION SERVICE

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the acreage allotment

and marketing quota program, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

Acreage allotments and marketing quotas.—The full budget estimate of \$39,135,000 is included in the bill for the fiscal year 1960. This is a reduction of \$580,000 below funds provided for 1959.

The amount recommended includes a decrease of \$3,315,000, due to termination of corn acreage allotments under legislation adopted last year. It also includes an additional \$2,735,000 to provide a 10% salary increase for Agricultural Stabilization and Conservation County Committee employees, effective July 1, 1959. Under existing law, these employees are not under the Classified Civil Service, and therefore were not covered by the salary increase provided other Federal employees last year. It would require legislation to include them, which is not within the jurisdiction of this Committee.

This additional money is provided with the understanding that it will be distributed proportionately by the Department to all States and County offices on the basis of funds used for salaries. In the future, however, it should be left to State and County offices, to make the salary determinations in the way that will make for the most effective operations in that office. Under present law and regulations, it is the responsibility of State and local offices to establish salary rates within broad guide-lines established in Washington.

Several years ago, additional funds were provided to bring county office salaries more nearly in line with other Federal salaries. Without the knowledge or approval of the Subcommittee, the funds were allocated to the various States in such manner as to, in effect, penalize those offices which were employing fewer people at higher salaries at a net saving to the Government. In the allocation of the funds in the accompanying bill, the Subcommittee feels that the right of every office to reduce personnel, by failing to fill vacancies, should be restored, and that any office should be permitted to hire fewer people at higher salaries, if necessary to keep salaries comparable with other Federal workers, without the penalty which occurred on the previous occasion.

Sugar Act program.—The Committee recommends the full budget estimate of \$71,500,000, a decrease of \$4,500,000 below the 1959 appropriation.

Payments are made to domestic producers of sugar beets and sugar cane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the continental United States for direct consumption.

During the period 1938–1958, collections have exceeded program payments by \$388,095,480.

FEDERAL CROP INSURANCE CORPORATION

Crop insurance offered to agricultural producers provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The bill carries the full budget estimate of \$6,376,700 for operating and administrative costs of this program for fiscal year 1960. This is the same amount as was provided for fiscal year 1959. In addition, authority is provided for the Corporation to spend \$2,330,000 from its premium income for such costs.

The program is operating in 830 counties in 1959 and is expected to expand to 857 during fiscal year 1960. The budgeted program for 1960 contemplates 400,000 crops insured, compared to 380,000 for 1959.

The Committee is glad to note that this program, which is still on an experimental basis, is operating satisfactorily. Due to good weather and good crop experience in 1958, premium income exceeded indemnities by nearly \$13.5 million. As a result, for the ten-year period 1948 to 1958 the accumulated surplus is \$2 million.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order in 1935 to make loans for the extension of central station electric service to unserved rural people. The Agency was continued by the Rural Electrification Act of 1936 and became a part of the Department of Agriculture in 1939. In 1949, the Act was amended to authorize REA to make loans for the purpose of furnishing and improving telephone service to rural areas. Loans for construction of electric and telephone facilities are self liquidating within a period of not to exceed thirty-five years, including interest.

Loan authorization.—The 1960 Budget proposed \$136,000,000 for rural electrification loans and \$79,000,000 for rural telephone loans. In addition, the Budget provided a contingency fund of \$25,000,000 for each program.

The Committee recommends the full budget request for both programs. As compared with loan authorizations for 1959, this is a decrease of \$181,000,000 for electrification loans and an increase of \$11,500,000 for rural telephone loans. The decrease for the electrification program is made possible by an estimated carryover of \$107,350,637 of unused funds from fiscal year 1959, plus about \$2,000,000 in rescissions of prior loans during fiscal year 1960. The amount included in the bill, plus the carryover balance and rescissions will cover a \$245 million program in fiscal year 1960. This is the same size program as carried out in 1958 and is only slightly smaller than the 1959 loan program.

The Committee was requested by representatives of the telephone cooperatives to earmark \$35 million of the telephone loan funds for the use of the cooperatives. A separate amount has not been set aside for this purpose in the 1960 bill, due to assurances received that no action will be taken by the Department which would disapprove any loans to cooperatives which have the approval of the Administrator.

While the REA program has extended electric service to about 95 percent of all rural America, the need for loans to enlarge the carrying capacity of existing facilities and to meet a more widely dispersed rural population requires continuation of available loan funds. The REA has an enviable repayment record, in that repayments to date, including interest, exceed 100 percent of amounts due.

In 1959, collections on all loans will total about \$154.1 million. It is estimated that collections in 1960 will be nearly \$168.7 million. In

a few years, collections should equal the amount of new loans authorized each year.

Salaries and expenses.—For administrative expenses of the REA program, the Committee recommends the full budget estimate of \$9,632,000 for fiscal year 1960. This is an increase of \$61,300 over 1959, which amount is provided to cover the full amount requested to cover salary increases authorized in the last session.

The number of employees will remain the same as for 1959 at 1,069.

FARMERS' HOME ADMINISTRATION

The Farmers' Home Administration performs the following five major activities: (1) makes direct and insured farm ownership loans to farm tenants, farm laborers, share croppers and other individuals for the purchase, enlargement or development of family type farms; (2) makes production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; (3) makes direct and insured soil and water conservation loans for the development and utilization of water supplies and for the improvement of farm lands by soil and water conserving facilities and practices; (4) makes emergency loans to farmers and stockmen in designated areas where disaster has caused need for agricultural credit not readily available from other sources; (5) makes farm housing loans for construction, improvement, alteration, repair or replacement of dwellings and other farm buildings; and (6) makes watershed loans to local organizations for installing, repairing or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs of watershed projects. Technical guidance in planning and carrying out sound farm operations is provided farmers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

Loan authorizations.—For the lending programs of the Farmers' Home Administration for fiscal year 1960, the bill includes a total loan authorization of \$206,000,000. This authorization includes \$24,000,000 for farm ownership loans, \$180,000,000 for farm operation (production and subsistence) loans, and \$2,000,000 for soil and water conservation loans. In addition, the bill provides a \$20,000,000 contingency authorization for the two major programs.

The budget decrease for farm ownership loans was based on the expected increased use of the insured loan program in 1960. In the past, however, the insured loan program has not provided sufficient funds to meet the need. The Committee has restored the 1959 level of funds for this purpose to make certain that sufficient funds are available in the event private funds are not provided.

The Committee has not gone along with the proposed decrease in funds for production and subsistence loans. The total loans for this purpose in 1958 were \$176 million, and it is estimated that \$180 million will be used in 1959. In view of the difficult problem facing

most farmers during this period of declining net income, the Committee does not feel that a cut in these loan funds is advisable at this time.

There has been a substantially reduced demand for soil and water conservation loans, apparently due to the more adequate rainfall in many areas of the country in recent years. Accordingly, the Committee has agreed to most of the reduction for this type of loan recommended in the 1960 Budget.

It is pointed out again that these funds are not appropriations but are authorizations to borrow from the Treasury, with repayment of principal and interest due from the borrower. Total collections in 1959 are estimated to be over \$216 million. For 1960, the estimate is \$231 million, which will exceed the loan authorizations recommended in the 1960 bill by \$25 million.

As has been pointed out in previous years, the repayment record of this program is very good. The repayment of principal plus interest frequently exceeds amounts due, with some borrowers repaying in advance of the repayment rate required. In view of the fact that these loans are generally made to those who can not secure credit elsewhere, the Committee feels that this is an excellent record which fully supports the provision of adequate loan funds to meet the needs of this agency's borrowers.

In granting funds for farm ownership loans, the Committee believes it to be highly desirable that the most cautious discretion be used to prevent placing a debt burden upon borrowers. The continuation of the so-called price-cost squeeze coupled with high land values has affected ability of some borrowers to repay loans. The Farmers' Home Administration has a dual obligation of advising the borrower and giving Government direction concerning his farm management problems and creating a national atmosphere conducive to sound land investment.

Salaries and expenses.—The Committee has approved \$30,300,000 for the administrative costs of this agency for fiscal year 1960. This is \$778,950 less than appropriated for fiscal year 1959 and is a reduction of \$1,000,000 in the budget estimate.

Due to improved crop conditions in the past several years, the disaster loan work of this organization has decreased, particularly in the Southwest and middle Great Plains States. Disaster loans have decreased from \$63.5 million in 1958 to an estimated \$58.5 million in 1959 and an estimated \$49 million in 1960. Accordingly, the Committee has made a small reduction in administrative expenses.

OFFICE OF THE GENERAL COUNSEL

This Office performs all legal work arising from the activities of the Department. The General Counsel represents the Department in many administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving

freight rates and practices relating to farm commodities. He serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

An appropriation of \$3,115,300 is recommended for the coming year for this office. This is a reduction of \$93,450 below the 1959 appropriation, and is \$195,200 less than the budget estimate.

The justifications presented to the Committee indicate that this office expects to receive transfers from other agencies of the Department during fiscal year 1960 of \$195,200. A budget reduction in this amount is recommended, therefore.

Much of the work of this organization is stereotyped and, in the opinion of the Committee, can be handled more effectively with a smaller staff. A reduction in the budget request is recommended, therefore, to encourage the new General Counsel to organize this activity on a more modest and efficient basis.

OFFICE OF THE SECRETARY

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, the Office of Hearing Examiners, the Office of Administrative Management, and the National Agricultural Advisory Commission.

The Committee has included the full budget estimate of \$2,881,000 in the bill for fiscal year 1960. This is an increase of \$20,750 over 1959. The increase is provided to cover the full amount requested in the Budget to cover pay act increases.

OFFICE OF INFORMATION

The Office of Information has general direction and supervision over all publications and other information activities of the Department. The Office publishes the Yearbook of Agriculture, the Annual Report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications. It handles the distribution of farm bulletins and requests for information received in the Department. It also produces motion pictures, chart and graphic materials and photographic work for the Department and other Government agencies through reimbursement.

For fiscal year 1960, the Committee recommends the full budget estimate of \$1,431,665 for this program. This is an increase of \$5,900 over 1959, due to the inclusion of the full budget estimate for salary increases.

The Committee is fully satisfied with the operation of this office and wishes to commend the Director, Mr. R. Lyle Webster, and his assistants for their excellent work in this field.

In view of its contact with the general public through radio, television, press releases, and other communications, it is very important

that the work of this office continue to be handled on a strictly objective basis.

LIBRARY

The Library procures and preserves all information concerning Agriculture. Under the act establishing the Department of Agriculture, it serves as the National Agricultural Library.

An appropriation of \$900,000 is provided for this activity for fiscal year 1960. This is an increase of \$71,660 over the 1959 funds, and is \$32,600 less than the 1960 estimate.

The increase is recommended to enable the Department to conduct an intensive review of the library collection to eliminate unnecessary material and to provide for preservation of valuable agricultural publications. This work is essential if the Library is to meet the demands made upon it by research and other scientific personnel of the Department.

The Committee heard testimony regarding the difficulties confronting the Department in providing adequate library services to its field personnel, particularly those engaged in the conduct of research which has expanded greatly during the past six years. While recognizing the advantages of a consolidated Department library service and believing that it should be continued to the extent practicable, the Committee has no objection to the Department's proposal that agencies requiring substantial library services in the field be given the responsibility of providing such services to their own employees, provided: (1) that this is done only at designated field locations, approved by the Department Librarian, where there is a sufficient concentration of personnel to warrant such a service, and (2) that such services are maintained in accordance with library policy and standards prescribed by the Department Librarian.

In concurring in this proposal, it is the understanding of the Committee that there is an immediate need to maintain libraries on this basis at the Department's four utilization research laboratories, the Animal Disease Laboratory at Plum Island (and at Ames, Iowa, when the laboratory building is completed), the Forest Products Laboratory at Madison, Wisconsin, and the forest experiment stations.

COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation was organized on October 17, 1933. Until 1939 it was managed and operated in close affiliation with the Reconstruction Finance Corporation. In July 1939 it was transferred to the Department of Agriculture by the President's Reorganization Plan Number 1. Under the Commodity Credit Corporation Charter Act of 1948, it was established as an instrumentality of the United States under a permanent Federal charter. The Corporation engages in buying, selling, lending and other activities with respect to agricultural commodities, their products, food, seeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of bal-

anced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

Also the funds and facilities of the Corporation have been utilized to carry out surplus-disposal programs and other special activities outside of its regular functions, for which it is authorized to be reimbursed. These special activities include the International Wheat Agreement, emergency famine relief to friendly peoples under Title II of Public Law 480, sales for foreign currencies under Title I of Public Law 480, transfer of bartered materials to supplemental stockpile under Title II of the Agricultural Act of 1956, grain for migratory waterfowl under the Act of July 3, 1956, eradication of brucellosis of cattle and vesicular exanthema of swine, and grading and classing of cotton and tobacco.

Restoration of capital impairment.—The Committee recommends \$1,435,424,413 for restoration of capital impairment of the Corporation through June 30, 1958. This is \$324,975,473 less than the 1959 appropriation, and is a reduction of \$100,000,000 in the 1960 estimate.

A breakdown of the budget request is as follows:

	[In millions]
Price support program:	
Basic commodities.....	\$644
Mandatory nonbasic commodities.....	251
Other nonbasic commodities.....	101
Strategic materials.....	11
Total, price supports.....	1, 007
Commodity export program.....	101
Special milk program.....	66
Interest, administrative and other (net).....	361
Total.....	1, 535

As discussed in considerable detail earlier in this report, the Committee recommends a cut of \$100,000,000 in this item for 1960. This reduction is made to encourage the Corporation to make greater efforts to sell commodities in world markets at competitive prices. Such a sales effort will result in great savings in storage, interest, and handling, and will enable the Corporation to meet its obligations from sales proceeds rather than from appropriated funds.

Administrative expenses.—For the coming fiscal year, the bill includes an authorization of \$39,600,000 for administrative expenses of the Corporation. This is the same amount as provided for 1959, and is a reduction of \$5,700,000 in the budget estimate.

From all information available it would appear that the workload in fiscal year 1959 reached an all time high. The Committee feels, therefore, that the 1960 operations can be handled within the same administrative expense limitation.

Reimbursement for special activities.—The full budget estimate of \$1,268,097,500 is provided to reimburse CCC for the cost of these

programs through June 30, 1959. The amount proposed is \$68,657,311 less than funds provided for these activities through June 30, 1958.

A breakdown of funds provided for 1959 and 1960 is as follows:

	Appropriation, 1959 (1958 costs)	Appropriation, 1960 (1959 esti- mated costs)
International Wheat Agreement	\$80, 800, 000	\$63, 875, 000
Emergency famine relief to friendly peoples	119, 270, 000	104, 508, 000
Sales of surplus agricultural commodities for foreign currencies	1, 033, 515, 000	968, 016, 000
Transfer of bartered materials to supplemental stockpile	82, 250, 335	129, 000, 000
Grain for migratory waterfowl	18, 506	35, 000
Animal disease eradication activities	19, 390, 100	1, 056, 500
Grading and classing activities	1, 510, 870	1, 607, 000
Total	1, 336, 754, 811	1, 268, 097, 500

As has been pointed out previously, these activities are carried on outside of the regular functions of the Corporation. Its funds and facilities are used merely as a convenient means of financing these programs. They are not related in any way to the price support program of the Corporation.

FARM CREDIT ADMINISTRATION

The Farm Credit Administration provides supervision, examination, facilities and services to the coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was reestablished as an independent agency by the Farm Credit Act of 1953.

The bill includes an administrative expense limitation of \$2,125,000 for the Farm Credit Administration. This is the same amount as was authorized for fiscal year 1959 and as was included in the 1960 budget.

The bill also includes language which authorizes expenditures necessary in the liquidation of the Federal Farm Mortgage Corporation and the sale of its mineral reservations. All Government capital has been repaid.

The administrative expenses of the intermediate credit banks are no longer subject to Congressional limitation, as provided by the Farm Credit Act of 1956. Therefore, nothing is included in this bill for these institutions.

GENERAL PROVISIONS

The general provisions contained in the accompanying bill for fiscal year 1959 are essentially the same as those included in previous appropriation bills.

Section 401 authorizes the purchase of 425 passenger motor vehicles in fiscal year 1960 as compared to 466 authorized for 1959. This will permit the replacement of 423 worn out vehicles and will permit the purchase of a new station wagon for the Peoria research laboratory and a new bus for the Plum Island research laboratory.

Section 406 includes new authority for grants to institutions of higher education and non-profit scientific organizations for basic scientific research. This authority was provided by Public Law 85-934, 85th Congress.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 3, in connection with the Agricultural Research Service:

Provided, That the Secretary is authorized to acquire from the Department of the Army without reimbursement land and improvements at Orlando, Florida, to be transferred pursuant to the Federal Property and Administrative Services Act of 1949, as amended:

On page 4, in connection with Agricultural Research Service:

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the fiscal year 1959 may be used by the Administrator of the Agricultural Research Service in the fiscal year 1960, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

On page 13, in connection with the Agricultural Conservation Program:

Provided further, That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year:

On page 16, in connection with the School Lunch Program:

Provided further, That, for additional payments to States in accordance with the National School Lunch Act for the purchase of food, \$43,657,248 shall be transferred to this appropriation from the funds available in the fiscal year 1959 under section 32 of the Act of August 24, 1935.

On page 17, in connection with the Foreign Agricultural Service:

Provided further, That, in addition, not to exceed \$2,493,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32: Provided further, That, in addition, not to exceed the equivalent of \$1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall be available for expenses of the agricultural attaché service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104(a) of that Act.

On page 19, in connection with Conservation Reserve Program:

Provided further, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85-459 shall not be applicable to contracts hereafter entered into.

On page 19, in connection with the Conservation Reserve Program:

Provided further, That no part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1959 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1960

REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1959 ¹	Budget estimates, 1960	Recommended in bill for 1960	Bill compared with—	
				1959 appropriations	1960 estimates
Agricultural Research Service:					
Salaries and expenses:					
Research.....	\$62,711,590	\$64,240,000	\$63,961,590	+\$1,250,000	—\$278,410
Plant and animal disease and pest control.....	52,812,700	49,110,000	48,340,600	—4,472,100	—769,400
Meat inspection.....	20,785,100	21,475,000	21,135,100	+350,000	—339,900
Total, salaries and expenses.....	136,309,390	134,825,000	133,437,290	—2,872,100	—1,387,710
State experiment stations:					
Payments to States and Puerto Rico.....	31,553,708	31,553,708	31,553,708	-----	-----
Penalty mail.....	250,000	250,000	250,000	-----	-----
Total, State experiment stations.....	31,803,708	31,803,708	31,803,708	-----	-----
Total, Agricultural Research Service.....	168,113,098	166,628,708	165,240,998	—2,872,100	—1,387,710
Extension Service:					
Payments to States and Puerto Rico.....	253,505,855	53,715,000	53,715,000	+209,145	-----
Retirement costs for Extension agents.....	5,479,375	5,674,375	5,674,375	+195,000	-----

Penalty mail-----	2, 491, 307	2, 491, 307	2, 491, 307	-----	-----
Federal Extension Service-----	2, 242, 540	2, 258, 795	2, 242, 540	-----	-16, 255
Total, Extension Service-----	63, 719, 077	64, 139, 477	64, 123, 222	+404, 145	-16, 255
Farmer Cooperative Service-----	615, 800	620, 000	615, 800	-----	-4, 200
Soil Conservation Service:					
Conservation operations-----	80, 561, 600	81, 072, 000	82, 322, 000	+1, 760, 400	+1, 250, 000
Watershed protection-----	25, 500, 000	20, 000, 000	25, 500, 000	-----	+5, 500, 000
Flood prevention-----	18, 000, 000	15, 000, 000	18, 000, 000	-----	+3, 000, 000
Water conservation and utilization projects-----	335, 000	75, 000	75, 000	-260, 000	-----
Great Plains conservation program-----	10, 000, 000	12, 500, 000	7, 500, 000	-2, 500, 000	-5, 000, 000
Total, Soil Conservation Service-----	134, 396, 600	128, 647, 000	133, 397, 000	-999, 600	+4, 750, 000
Agricultural conservation program-----	235, 000, 000	241, 500, 000	241, 500, 000	+6, 500, 000	-----
Agricultural Marketing Service:					
Marketing research and service:					
Marketing research and agricultural estimates-----	15, 339, 100	15, 437, 000	15, 044, 500	-294, 600	-392, 500
Marketing services-----	22, 577, 600	26, 623, 000	24, 862, 600	+2, 285, 000	-1, 760, 400
Total, marketing research and services-----	37, 916, 700	42, 060, 000	39, 907, 100	+1, 990, 400	-2, 152, 900
Payments to States, Territories, and possessions-----	1, 160, 000	1, 160, 000	1, 160, 000	-----	-----
School-lunch program-----	110, 000, 000	100, 000, 000	110, 000, 000	-----	+10, 000, 000
Total, Agricultural Marketing Service-----	149, 076, 700	143, 220, 000	151, 067, 100	+1, 990, 400	+7, 847, 100

See footnotes at end of table, p. 38.

Comparative statement of appropriations for 1959 and estimates and amounts recommended in bill for 1960—Continued

Agency and item	Appropriations, 1959 ¹	Budget estimates, 1960	Recommended in bill for 1960	Bill compared with—	
				1959 appropriations	1960 estimates
Foreign Agricultural Service.....	\$4, 234, 320	\$4, 268, 300	\$3, 518, 300	—\$716, 020	—\$750, 000
Commodity Exchange Authority.....	893, 200	900, 000	909, 500	+ 16, 300	+ 9, 500
Soil bank programs:					
Conservation reserve.....	3 179, 612, 403	360, 370, 000	310, 000, 000	+ 130, 387, 597	—50, 370, 000
Acreage reserve.....	609, 450, 000	1, 050, 000	-----	—609, 450, 000	—1, 050, 000
Total, soil bank programs.....	789, 062, 403	361, 420, 000	310, 000, 000	—479, 062, 403	—51, 420, 000
Commodity Stabilization Service:					
Acreage allotments and marketing quotas.....	39, 715, 000	39, 135, 000	39, 135, 000	—580, 000	-----
Sugar Act program.....	76, 000, 000	71, 500, 000	71, 500, 000	—4, 500, 000	-----
Total, Commodity Stabilization Service.....	115, 715, 000	110, 635, 000	110, 635, 000	—5, 080, 000	-----
Federal Crop Insurance Corporation: Operation and administrative expenses.....	6, 376, 700	6, 376, 700	6, 376, 700	-----	-----
Rural Electrification Administration: Salaries and expenses.....	9, 570, 700	9, 632, 000	9, 632, 000	+ 61, 300	-----
Farmers Home Administration: Salaries and ex- penses.....	31, 078, 950	31, 300, 000	30, 300, 000	—778, 950	—1, 000, 000
Office of the General Counsel.....	3, 208, 750	3, 310, 500	3, 115, 300	—93, 450	—195, 200

Office of the Secretary-----	2, 860, 250	2, 881, 000	2, 881, 000	+20, 750	-----
Office of Information-----	1, 425, 765	1, 431, 665	1, 431, 665	+5, 900	-----
Library-----	828, 340	932, 600	900, 000	+71, 660	--32, 600
Total, regular activities-----	1, 716, 175, 653	1, 277, 842, 950	1, 235, 643, 585	-480, 532, 068	--42, 199, 365

CORPORATIONS (TITLE II)

Federal Crop Insurance Corporation: Administrative and operating expenses-----	(\$2, 297, 000)	(\$2, 330, 000)	(\$2, 330, 000)	(+\$33, 000)	-----
Commodity Credit Corporation:					
Restoration of capital impairment-----	1, 760, 399, 886	1, 535, 424, 413	1, 435, 424, 413	-324, 975, 473	-\$100, 000, 000
Administrative expense limitation-----	(39, 600, 000)	(45, 300, 000)	(39, 600, 000)	-----	(-5, 700, 000)
Total, Commodity Credit Corporation-----	1, 760, 399, 886	1, 535, 424, 413	1, 435, 424, 413	-324, 975, 473	-100, 000, 000
Reimbursements to Commodity Credit Corporation for special activities:					
International Wheat Agreement-----	80, 800, 000	63, 875, 000	63, 875, 000	-16, 925, 000	-----
Emergency famine relief-----	119, 270, 000	104, 508, 000	104, 508, 000	-14, 762, 000	-----
Sales for local currencies (Public Law 480)-----	1, 033, 515, 000	968, 016, 000	968, 016, 000	-65, 499, 000	-----
Migratory waterfowl feed-----	18, 506	35, 000	35, 000	+16, 494	-----
Bartered materials for stockpile-----	82, 250, 335	129, 000, 000	129, 000, 000	+46, 749, 665	-----
Animal disease eradication-----	19, 390, 100	1, 056, 500	1, 056, 500	-18, 333, 600	-----

See footnote at end of table, p. 38.

Comparative statement of appropriations for 1959 and estimates and amounts recommended in bill for 1960—Continued

Agency and item	Appropriations, 1959 ¹	Budget estimates, 1960	Recommended in bill for 1960	Bill compared with—	
				1959 appropriations	1960 estimates
Reimbursements to Commodity Credit Corporation for special activities—Continued					
Grading and classing activities-----	\$1, 510, 870	\$1, 607, 000	\$1, 607, 000	+ \$96, 130	-----
Total, reimbursements to CCC for special activities-----	1, 336, 754, 811	1, 268, 097, 500	1, 268, 097, 500	- 68, 657, 311	-----
Total, Corporations-----	3, 097, 154, 697	2, 803, 521, 913	2, 703, 521, 913	- 393, 632, 784	- \$100, 000, 000

RELATED AGENCIES (TITLE III)

Farm Credit Administration-----	(\$2, 125, 000)	(\$2, 125, 000)	(\$2, 125, 000)	-----	-----
Federal intermediate credit banks-----	(1, 693, 000)	-----	-----	(- \$1, 693, 000)	-----
Total, related agencies-----	(3, 818, 000)	(2, 125, 000)	(2, 125, 000)	(- 1, 693, 000)	-----
Total, titles I through III-----	¹ 4, 813, 330, 350	4, 081, 364, 863	3, 939, 165, 498	- 874, 164, 852	- \$142, 199, 365

¹ Includes all adjustments for pay act costs and penalty mail costs as well as other appropriations covered in the Second Supplemental Appropriation Act, 1959, now pending. The figures shown in all cases are based on amounts carried in bill as it passed the House.

² An appropriation of \$53,715,000 was provided for 1959. Amount reduced by transfers to other activities for pay increases and penalty mail costs as provided in Second Supplemental Appropriation Act, 1959.

³ An appropriation of \$200,000,000 was provided for 1959. Amount reduced by transfers for pay costs and penalty mail costs as provided in Second Supplemental Appropriation Act, 1959.

LOAN AUTHORIZATIONS

Agency and item	Authorizations, 1959	Estimates, 1960	Recommended in bill for 1960	Bill compared with—	
				1959 authorizations	1960 estimates
Rural Electrification Administration:					
Electrification-----	\$317, 000, 000	\$136, 000, 000	\$136, 000, 000	—\$181,000,000	-----
Telephone-----	67, 500, 000	79, 000, 000	79, 000, 000	+11, 500, 000	-----
Total, Rural Electrification Administration---	384, 500, 000	215, 000, 000	215, 000, 000	—169, 500, 000	-----
Farmers Home Administration:					
Farm ownership-----	24, 000, 000	12, 000, 000	24, 000, 000	-----	+ \$12, 000, 000
Farm operation (production and subsistence)---	180, 000, 000	160, 000, 000	180, 000, 000	-----	+20, 000, 000
Soil and water conservation-----	5, 500, 000	1, 000, 000	2, 000, 000	—3, 500, 000	+1, 000, 000
Total, Farmers Home Administration-----	209, 500, 000	173, 000, 000	206, 000, 000	—3, 500, 000	+33, 000, 000
Total, loan authorizations-----	594, 000, 000	388, 000, 000	421, 000, 000	—173, 000, 000	+33, 000, 000

PERMANENT AUTHORIZATIONS

Agency and item	Authorizations, 1959	Estimates, 1960	Increase or decrease
Agricultural Research Service:			
Alterations and improvements, Animal Quarantine Station, Clifton, N.J.-----	\$30, 000	-----	--\$30, 000
Agricultural Marketing Service:			
Removal of surplus agricultural commodities-----	235, 936, 663	\$246, 000, 000	+10, 063, 337
Perishable Agricultural Commodities Act fund-----	675, 000	685, 000	+10, 000
Total, Agricultural Marketing Service-----	236, 611, 663	246, 685, 000	+10, 073, 337
Commodity Stabilization Service: National Wool Act-----	24, 453, 099	47, 630, 000	+23, 176, 901
Total, permanent authorizations-----	261, 094, 762	294, 315, 000	+33, 220, 238

Union Calendar No. 138

86TH CONGRESS
1ST SESSION

H. R. 7175

[Report No. 365]

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 1959

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1960; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, and home economics, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$10,000, except for five buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one

1 building during the fiscal year shall not exceed \$3,750 or 4
2 per centum of the cost of the building, whichever is greater:

3 Research: For research and demonstrations on the pro-
4 duction and utilization of agricultural products, home eco-
5 nomics, and related research and services, including admin-
6 istration of payments to State agricultural experiment sta-
7 tions; \$63,961,590: *Provided*, That the Secretary is author-
8 ized to acquire from the Department of the Army without
9 reimbursement land and improvements at Orlando, Florida,
10 to be transferred pursuant to the Federal Property and Ad-
11 ministrative Services Act of 1949, as amended: *Provided fur-*
12 *ther*, That the limitations contained herein shall not apply
13 to (a) replacement of buildings needed to carry out the
14 Act of April 24, 1948 (21 U.S.C. 113a), or (b) not to
15 exceed \$739,000 for the construction and alteration of
16 buildings: *Provided further*, That the Secretary is author-
17 ized to acquire by donation lands necessary for the con-
18 struction thereof;

19 Plant and animal disease and pest control: For oper-
20 ations and measures, not otherwise provided for, to control
21 and eradicate pests and plant and animal diseases and for
22 carrying out assigned inspection, quarantine, and regulatory
23 activities, as authorized by law, including expenses pursuant
24 to the Act of February 28, 1947 (21 U.S.C. 114b-d),

1 \$48,340,600, of which \$1,500,000 shall be apportioned for
2 use pursuant to section 3679 of the Revised Statutes, as
3 amended, for the control of outbreaks of insects and plant
4 diseases to the extent necessary to meet emergency con-
5 ditions;

6 Meat inspection: For carrying out the provisions of
7 laws relating to Federal inspection of meat, and meat-food
8 products, and the applicable provisions of the laws relating
9 to process or renovated butter, \$21,135,100;

10 Special fund: To provide for additional labor to be
11 employed under contracts and cooperative agreements to
12 strengthen the work at research installations in the field, not
13 more than \$1,000,000 of the amount appropriated under
14 this head for the fiscal year 1959 may be used by the Ad-
15 ministrator of the Agricultural Research Service in the fiscal
16 year 1960, the amount so used to be transferred to and
17 merged with the appropriation otherwise available under
18 "Salaries and expenses, Research".

19 STATE EXPERIMENT STATIONS

20 Payments to States, Hawaii, and Puerto Rico: For pay-
21 ments to agricultural experiment stations to carry into effect
22 the provisions of the Hatch Act, approved March 2, 1887,
23 as amended by the Act approved August 11, 1955 (7
24 U.S.C. 361a-361i), including administration by the United
25 States Department of Agriculture, \$31,053,708; and pay-

1 ments authorized under section 204 (b) of the Agricultural
2 Marketing Act, the Act approved August 14, 1946 (7
3 U.S.C. 1623), \$500,000; in all, \$31,553,708.

4 Penalty mail: For penalty mail costs of agricultural ex-
5 periment stations under section 6 of the Hatch Act of 1887,
6 as amended, \$250,000.

7 DISEASES OF ANIMALS AND POULTRY

8 Eradication activities: For expenses necessary in the
9 arrest and eradication of foot-and-mouth disease, rinderpest,
10 contagious pleuro-pneumonia, or other contagious or infec-
11 tious diseases of animals, or European fowl pest and similar
12 diseases in poultry, and for foot-and-mouth disease and rinder-
13 pest programs undertaken pursuant to the provisions of the
14 Act of February 28, 1947, and the Act of May 29, 1884, as
15 amended (7 U.S.C. 391; 21 U.S.C. 111-122), including
16 expenses in accordance with section 2 of said Act of Febru-
17 ary 28, 1947, the Secretary may transfer from other appro-
18 priations or funds available to the bureaus, corporations, or
19 agencies of the Department such sums as he may deem
20 necessary, to be available only in an emergency which
21 threatens the livestock or poultry industry of the country,
22 and any unexpended balances of funds transferred under
23 this head in the next preceding fiscal year shall be merged
24 with such transferred amounts: *Provided*, That this appro-
25 priation shall be subject to applicable provisions contained

1 in the item "Salaries and expenses, Agricultural Research
2 Service".

3 EXTENSION SERVICE

4 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

5 Payments to States, Hawaii, and Puerto Rico: For pay-
6 ments for cooperative agricultural extension work under the
7 Smith-Lever Act, as amended by the Act of June 26, 1953
8 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7
9 U.S.C. 347a), \$52,220,000; and payments and contracts
10 for such work under section 204 (b) -205 of the Agricultural
11 Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000;
12 in all, \$53,715,000: *Provided*, That funds hereby appropri-
13 ated pursuant to section 3 (c) of the Act of June 26, 1953,
14 shall not be paid to any State, Hawaii, or Puerto Rico prior
15 to availability of an equal sum from non-Federal sources for
16 expenditure during the current fiscal year.

17 Retirement costs for extension agents: For cost of em-
18 ployer's share of Federal retirement for cooperative exten-
19 sion employees, \$5,674,375.

20 Penalty mail: For costs of penalty mail for cooperative
21 extension agents and State extension directors, \$2,491,307.

22 Federal Extension Service: For administration of the
23 Smith-Lever Act, as amended by the Act of June 26, 1953
24 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7
25 U.S.C. 347a), and extension aspects of the Agricultural

1 Marketing Act of 1946 (7 U.S.C. 1621-1627), and to co-
2 ordinate and provide program leadership for the extension
3 work of the Department and the several States, Territories,
4 and insular possessions, \$2,242,540.

5 FARMER COOPERATIVE SERVICE

6 SALARIES AND EXPENSES

7 For necessary expenses to carry out the Act of July 2,
8 1926 (7 U.S.C. 451-457), \$615,800.

9 SOIL CONSERVATION SERVICE

10 CONSERVATION OPERATIONS

11 For necessary expenses for carrying out the provisions
12 of the Act of April 27, 1935 (16 U.S.C. 590a-590f),
13 including preparation of conservation plans and establish-
14 ment of measures to conserve soil and water (including
15 farm irrigation and land drainage and such special measures
16 as may be necessary to prevent floods and the siltation of
17 reservoirs); operation of conservation nurseries; classifica-
18 tion and mapping of soils; dissemination of information;
19 purchase and erection or alteration of permanent buildings;
20 and operation and maintenance of aircraft, \$82,322,000:
21 *Provided*, That the cost of any permanent building pur-
22 chased, erected, or as improved, exclusive of the cost
23 of constructing a water supply or sanitary system
24 and connecting the same to any such building and with the
25 exception of buildings acquired in conjunction with land

1 being purchased for other purposes, shall not exceed \$2,500,
2 except for eight buildings to be constructed or improved at
3 a cost not to exceed \$15,000 per building and except that
4 alterations or improvements to other existing permanent
5 buildings costing \$2,500 or more may be made in any
6 fiscal year in an amount not to exceed \$500 per building:
7 *Provided further*, That no part of this appropriation shall
8 be available for the construction of any such building on
9 land not owned by the Government: *Provided further*, That
10 in the State of Missouri, where the State has established a
11 central State agency authorized to enter into agreements
12 with the United States or any of its agencies on policies and
13 general programs for the saving of its soil by the extension
14 of Federal aid to any soil conservation district in such State,
15 the agreements made by or on behalf of the United States
16 with any such soil conservation district shall have the prior
17 approval of such central State agency before they shall
18 become effective as to such district: *Provided further*, That
19 no part of this appropriation may be expended for soil and
20 water conservation operations under the Act of April 27,
21 1935 (16 U.S.C. 590a-590f), in demonstration projects:
22 *Provided further*, That not to exceed \$5,000 may be used
23 for employment pursuant to the second sentence of section
24 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
25 amended by section 15 of the Act of August 2, 1946

1 (5 U.S.C. 55a) : *Provided further*, That qualified local engi-
2 neers may be temporarily employed at per diem rates to
3 perform the technical planning work of the service.

4 WATERSHED PROTECTION

5 For expenses necessary to conduct surveys, investiga-
6 tions, and research and to carry out preventive measures, in-
7 cluding, but not limited to, engineering operations, methods
8 of cultivation, the growing of vegetation, and changes in
9 use of land, in accordance with the Watershed Protection
10 and Flood Prevention Act, approved August 4, 1954, as
11 amended (16 U.S.C. 1001–1007), and the provisions of
12 the Act of April 27, 1935 (16 U.S.C. 590a–590f), to
13 remain available until expended, \$25,500,000, with which
14 shall be merged the unexpended balances of funds heretofore
15 appropriated or transferred to the Department for watershed
16 protection purposes: *Provided*, That not to exceed \$100,-
17 000 may be used for employment pursuant to the second
18 sentence of section 706 (a) of the Organic Act of 1944 (5
19 U.S.C. 574), as amended by section 15 of the Act of August
20 2, 1946 (5 U.S.C. 55a).

21 FLOOD PREVENTION

22 For expenses necessary, in accordance with the Flood
23 Control Act, approved June 22, 1936 (33 U.S.C. 701–709),
24 as amended and supplemented, and in accordance with the

1 provisions of laws relating to the activities of the Depart-
2 ment, to perform works of improvement, including not to
3 exceed \$100,000 for employment pursuant to the second
4 sentence of section 706 (a) of the Organic Act of 1944 (5
5 U.S.C. 574), as amended by section 15 of the Act of
6 August 2, 1946 (5 U.S.C. 55a), to remain available until
7 expended, \$18,000,000, with which shall be merged the
8 unexpended balances of funds heretofore appropriated or
9 transferred to the Department for flood prevention purposes:
10 *Provided*, That no part of such funds shall be used for the
11 purchase of lands in the Yazoo and Little Tallahatchie water-
12 sheds without specific approval of the county board of super-
13 visors of the county in which such lands are situated.

14 WATER CONSERVATION AND UTILIZATION PROJECTS

15 For expenses necessary to carry out the functions of the
16 Department under the Acts of August 11, 1939, and Octo-
17 ber 14, 1940 (16 U.S.C. 590y-z-10), as amended and sup-
18 plemented, June 28, 1949 (63 Stat. 277), and September
19 6, 1950 (7 U.S.C. 1033-39), relating to water conserva-
20 tion and utilization projects, to remain available until ex-
21 pended, \$75,000, which sum shall be merged with the unex-
22 pended balances of funds heretofore appropriated to said
23 Department for the purpose of said Acts.

1 GREAT PLAINS CONSERVATION PROGRAM

2 For necessary expenses to carry into effect a program
3 of conservation in the Great Plains area, pursuant to sec-
4 tion 16 (b) of the Soil Conservation and Domestic Allotment
5 Act, as added by the Act of August 7, 1956 (16 U.S.C.
6 590p), \$7,500,000, to remain available until expended.

7 AGRICULTURAL CONSERVATION PROGRAM

8 For necessary expenses to carry into effect the program
9 authorized in sections 7 to 16, 16 (a), and 17 of the Soil
10 Conservation and Domestic Allotment Act, approved Feb-
11 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
12 590p (a), and 590q), including not to exceed \$6,000 for the
13 preparation and display of exhibits, including such displays
14 at State, interstate, and international fairs within the United
15 States, \$241,500,000, to remain available until December
16 31 of the next succeeding fiscal year for compliance with the
17 program of soil-building and soil- and water-conserving
18 practices authorized under this head in the Department of
19 Agriculture and Farm Credit Administration Appropriation
20 Act, 1959, carried out during the period July 1, 1958, to
21 December 31, 1959, inclusive: *Provided*, That not to exceed
22 \$26,832,950 of the total sum provided under this head shall
23 be available during the current fiscal year for administrative

1 expenses for carrying out such program, the cost of aerial
2 photographs, however, not to be charged to such limitation;
3 but not more than \$5,424,200 shall be transferred to the
4 appropriation account "Administrative expenses, section
5 392, Agricultural Adjustment Act of 1938": *Provided fur-*
6 *ther*, That none of the funds herein appropriated shall be used
7 to pay the salaries or expenses of any regional information
8 employees or any State information employees, but this shall
9 not preclude the answering of inquiries or supplying of in-
10 formation at the county level to individual farmers: *Provided*
11 *further*, That such amounts shall be available for administra-
12 tive expenses in connection with the formulation and admin-
13 istration of the 1960 program of soil-building and soil- and
14 water-conserving practices, under the Act of February 29,
15 1936, as amended (amounting to \$250,000,000, including
16 administration, and no participant shall receive more than
17 \$2,500, except where the participants from two or more
18 farms or ranches join to carry out approved practices de-
19 signed to conserve or improve the agricultural resources of
20 the community) : *Provided further*, That no change shall be
21 made in such 1960 program which will have the effect in
22 any county, of restricting eligibility requirements or cost-
23 sharing on practices included in either the 1957 or the 1958
24 programs, unless such change shall have been recommended
25 by the county committee and approved by the State com-

1 mittee: *Provided further*, That the proportion of the State
2 fund initially allocated to any county for the 1960 program
3 shall not be reduced from the distribution of such fund for
4 the 1958 program year: *Provided further*, That not to
5 exceed 5 per centum of the allocation for the 1960 agri-
6 cultural conservation program for any county may, on the
7 recommendation of such county committee and approval
8 of the State committee, be withheld and allotted to the Soil
9 Conservation Service for services of its technicians in formu-
10 lating and carrying out the agricultural conservation pro-
11 gram in the participating counties, and shall not be utilized
12 by the Soil Conservation Service for any purpose other than
13 technical and other assistance in such counties, and in ad-
14 dition, on the recommendation of such county committee
15 and approval of the State committee, not to exceed 1 per
16 centum may be made available to any other Federal, State,
17 or local public agency for the same purpose and under the
18 same conditions: *Provided further*, That for the 1960 pro-
19 gram \$2,500,000 shall be available for technical assistance
20 in formulating and carrying out agricultural conservation
21 practices and \$1,000,000 shall be available for conservation
22 practices related directly to flood prevention work in ap-
23 proved watersheds: *Provided further*, That such amounts
24 shall be available for the purchase of seeds, fertilizers,
25 lime, trees, or any other farming material, or any soil-

1 terracing services, and making grants thereof to agricul-
2 tural producers to aid them in carrying out farming practices
3 approved by the Secretary under programs provided for
4 herein: *Provided further*, That no part of any funds avail-
5 able to the Department, or any bureau, office, corporation,
6 or other agency constituting a part of such Department, shall
7 be used in the current fiscal year for the payment of salary
8 or travel expenses of any person who has been convicted of
9 violating the Act entitled "An Act to prevent pernicious
10 political activities", approved August 2, 1939, as amended,
11 or who has been found in accordance with the provisions of
12 title 18, United States Code, section 1913, to have violated
13 or attempted to violate such section which prohibits the
14 use of Federal appropriations for the payment of personal
15 services or other expenses designed to influence in any man-
16 ner a Member of Congress to favor or oppose any legisla-
17 tion or appropriation by Congress except upon request of any
18 Member or through the proper official channels.

19 AGRICULTURAL MARKETING SERVICE

20 MARKETING RESEARCH AND SERVICE

21 For expenses necessary to carry on research and service
22 to improve and develop marketing and distribution relating
23 to agriculture as authorized by the Agricultural Marketing
24 Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-
25 ing the administration of marketing regulatory acts con-

1 nected therewith: *Provided*, That appropriations hereunder
2 shall be available pursuant to 5 U.S.C. 565a for the con-
3 struction, alteration, and repair of buildings and improve-
4 ments, but unless otherwise provided, the cost of erecting
5 any one building shall not exceed \$10,000, except for two
6 buildings to be constructed or improved at a cost not to exceed
7 \$20,000 each, and the cost of altering any one building dur-
8 ing the fiscal year shall not exceed \$3,750 or 3 per centum
9 of the cost of the building, whichever is greater:

10 Marketing research and agricultural estimates: For re-
11 search and development relating to agricultural marketing
12 and distribution, for analyses relating to farm prices, income
13 and population, and demand for farm products, and for crop
14 and livestock estimates, \$15,044,500: *Provided*, That not
15 less than \$350,000 of the funds contained in this appropria-
16 tion shall be available to continue to gather statistics and
17 conduct a special study on the price spread between the
18 farmer and the consumer: *Provided further*, That no part
19 of the funds herein appropriated shall be available for any
20 expense incident to publishing estimates of apple production
21 for other than the commercial crop;

22 Marketing services: For services relating to agricultural
23 marketing and distribution, for carrying out regulatory acts
24 connected therewith, and for administration and coordina-
25 tion of payments to States, \$24,862,600, including not to

1 exceed \$25,000 for employment at rates not to exceed \$50
2 per diem, except for employment in rate cases at not to
3 exceed \$100 per diem pursuant to the second sentence of
4 section 706 (a) of the Organic Act of 1944 (5 U.S.C.
5 574), as amended by section 15 of the Act of August 2,
6 1946 (5 U.S.C. 55a), in carrying out section 201 (a) to
7 201 (d), inclusive, of title II of the Agricultural Adjustment
8 Act of 1938 (7 U.S.C. 1291) and section 203 (j) of the
9 Agricultural Marketing Act of 1946.

10 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

11 For payments to departments of agriculture, bureaus and
12 departments of markets, and similar agencies for marketing
13 activities under section 204 (b) of the Agricultural Market-
14 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,160,000.

15 SCHOOL LUNCH PROGRAM

16 For necessary expenses to carry out the provisions of
17 the National School Lunch Act (42 U.S.C. 1751-1760),
18 \$110,000,000: *Provided*, That no part of this appropria-
19 tion shall be used for nonfood assistance under section 5 of
20 said Act: *Provided further*, That, for additional payments
21 to States in accordance with the National School Lunch Act
22 for the purchase of food, \$43,657,248 shall be transferred
23 to this appropriation from the funds available in the fiscal
24 year 1959 under section 32 of the Act of August 24, 1935.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$3,518,300: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$2,493,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32: *Provided further*, That, in addition, not to exceed the equivalent of \$1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall

1 be available for expenses of the agricultural attaché service
2 and for general operating expenses of the Foreign Agricultural
3 Service in carrying out the purposes of section 104 (a)
4 of that Act.

5 COMMODITY EXCHANGE AUTHORITY

6 SALARIES AND EXPENSES

7 For necessary expenses to carry into effect the provisions
8 of the Commodity Exchange Act, as amended (7 U.S.C.
9 1-17a), \$909,500.

10 SOIL BANK PROGRAM

11 CONSERVATION RESERVE

12 For necessary expenses to carry out a conservation re-
13 serve program as authorized by subtitles B and C of the
14 Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814),
15 and to carry out liquidation activities for the acreage reserve
16 program, \$310,000,000: *Provided*, That not to exceed
17 \$18,000,000 shall be available for administrative expenses, of
18 which not less than \$14,400,000 may be transferred to the
19 appropriation account "Local administration, section 388,
20 Agricultural Adjustment Act of 1938": *Provided further*,
21 That no part of this appropriation shall be used to enter into
22 contracts with producers which, together with contracts
23 already entered into, would require payments to producers
24 (including the cost of materials and services) in excess of
25 \$325,000,000 in any calendar year, and for purposes of

1 applying this limitation, practice payments shall be charge-
2 able to the first year of the contract period: *Provided*
3 *further*, That no part of these funds shall be used to enter
4 into contracts to pay compensation to any individual or
5 corporation in excess of \$3,000 per annum: *Provided fur-*
6 *ther*, That no part of these funds shall be paid on any con-
7 tract which is illegal under the law due to the division of
8 lands for the purpose of evading limits on annual payments
9 to participants: *Provided further*, That clause (2) of the
10 fourth proviso relating to annual rental payments under this
11 head in Public Law 85-459 shall not be applicable to con-
12 tracts hereafter entered into: *Provided further*, That no
13 part of these funds may be used to enter into contracts
14 for a period in excess of five years or to pay annual rentals
15 in excess of a fair rental value of land placed under con-
16 tract, such fair rental value to be based on the actual pro-
17 duction diverted each year.

18 COMMODITY STABILIZATION SERVICE

19 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

20 For necessary expenses to formulate and carry out
21 acreage allotment and marketing quota programs pursuant
22 to provisions of title III of the Agricultural Adjustment Act
23 of 1938, as amended (7 U.S.C. 1301-1393), \$39,135,000,
24 of which not more than \$6,886,300 shall be transferred to
25 the appropriation account "Administrative expenses, section
26 392, Agricultural Adjustment Act of 1938".

1 SUGAR ACT PROGRAM

2 For necessary expenses to carry into effect the provisions
3 of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$71,500,-
4 000, to remain available until June 30 of the next succeeding
5 fiscal year: *Provided*, That expenditures (including trans-
6 fers) from this appropriation for other than payments to
7 sugar producers shall not exceed \$2,297,426.

8 FEDERAL CROP INSURANCE CORPORATION

9 OPERATING AND ADMINISTRATIVE EXPENSES

10 For operating and administrative expenses, \$6,376,700.

11 RURAL ELECTRIFICATION ADMINISTRATION

12 To carry into effect the provisions of the Rural Elec-
13 trification Act of 1936, as amended (7 U.S.C. 901-924),
14 as follows:

15 LOAN AUTHORIZATIONS

16 For loans in accordance with said Act, and for carrying
17 out the provisions of section 7 thereof, to be borrowed from
18 the Secretary of the Treasury in accordance with the pro-
19 visions of section 3 (a) of said Act, as follows: Rural elec-
20 trification program, \$136,000,000; and rural telephone pro-
21 gram, \$79,000,000; and additional amounts, not to exceed
22 \$25,000,000 for each program, may be borrowed under the
23 same terms and conditions to the extent that such amount
24 is required during the fiscal year 1960 under the then exist-
25 ing conditions for the expeditious and orderly development

1 of the rural electrification program and rural telephone
2 program.

3 SALARIES AND EXPENSES

4 For administrative expenses, including not to exceed
5 \$500 for financial and credit reports, and not to exceed
6 \$150,000 for employment pursuant to the second sentence
7 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
8 574), as amended by section 15 of the Act of August 2,
9 1946 (5 U.S.C. 55a), \$9,632,000.

10 FARMERS' HOME ADMINISTRATION

11 To carry into effect the provisions of titles I, II, and
12 the related provisions of title IV of the Bankhead-Jones
13 Farm Tenant Act, as amended (7 U.S.C. 1000-1031);
14 the Farmers' Home Administration Act of 1946 (7 U.S.C.
15 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code
16 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40
17 U.S.C. 436-439); the Act of August 28, 1937, as amended
18 (16 U.S.C. 590r-590x-3), for the development of facili-
19 ties for water storage and utilization in the arid and semiarid
20 areas of the United States; the provisions of title V of the
21 Housing Act of 1949, as amended (42 U.S.C. 1471-1483),
22 relating to financial assistance for farm housing; the Rural
23 Rehabilitation Corporation Trust Liquidation Act, approved
24 May 3, 1950 (40 U.S.C. 440-444); the items "Loans to
25 farmers, 1948 flood damage" in the Act of June 25, 1948

1 (62 Stat. 1038), and "Loans to farmers, property damage"
2 in the Act of May 24, 1949 (63 Stat. 82) ; the collecting
3 and servicing of credit sales and development accounts in
4 water conservation and utilization projects (53 Stat. 685,
5 719), as amended and supplemented (16 U.S.C. 590y, z—1
6 and z—10) ; and the Act to direct the Secretary of Agri-
7 culture to convey certain mineral interests, approved Sep-
8 tember 6, 1950 (7 U.S.C. 1033–1039), as follows:

9 LOAN AUTHORIZATIONS

10 For loans (including payments in lieu of taxes and taxes
11 under section 50 of the Bankhead-Jones Farm Tenant Act,
12 as amended, and advances incident to the acquisition and
13 preservation of security of obligations under the foregoing
14 several authorities, except that such advances under title V
15 of the Housing Act of 1949, as amended, shall be made
16 from funds obtained under section 511 of that Act, as
17 amended) : Title I and section 43 of title IV of the Bank-
18 head-Jones Farm Tenant Act, as amended, \$24,000,000,
19 of which not to exceed \$2,500,000 may be distributed to
20 States and Territories without regard to farm population and
21 prevalence of tenancy, in addition to the amount otherwise
22 distributed thereto, for loans in reclamation projects and to
23 entrymen on unpatented public lands; title II of the Bank-
24 head-Jones Farm Tenant Act, as amended, \$180,000,000;
25 the Act of August 28, 1937, as amended, \$2,000,000: *Pro-*

1 *vided*, That not to exceed the foregoing several amounts
2 shall be borrowed in one account from the Secretary of the
3 Treasury in accordance with the provisions set forth under
4 this head in the Department of Agriculture Appropriation
5 Act, 1952: *Provided further*, That an additional amount, not
6 to exceed \$20,000,000, may be borrowed under the same
7 terms and conditions to the extent that such amount is
8 required during fiscal year 1960 under the then existing
9 conditions for the expeditious and orderly conduct of the
10 loan programs under the Bankhead-Jones Farm Tenant Act,
11 as amended, not to exceed \$5,000,000 of which shall be
12 available for loans under title I and section 43 of title IV
13 of such Act, as amended.

14 **SALARIES AND EXPENSES**

15 For making, servicing, and collecting loans and insured
16 mortgages, the servicing and collecting of loans made under
17 prior authority, the liquidation of assets transferred to Farm-
18 ers' Home Administration, and other administrative ex-
19 penses, \$30,300,000, together with a transfer of not to
20 exceed \$1,000,000 of the fees and administrative expense
21 charges made available by subsections (d) and (e) of
22 section 12 of the Bankhead-Jones Farm Tenant Act, as
23 amended (7 U.S.C. 1005 (b)), and section 10 (c) of the
24 Act of August 28, 1937, as amended.

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, \$3,115,300.

6 OFFICE OF THE SECRETARY

7 SALARIES AND EXPENSES

8 For expenses of the Office of the Secretary of Agricul-
9 ture; expenses of the National Agricultural Advisory Com-
10 mission; stationery, supplies, materials, and equipment;
11 freight, express, and drayage charges; advertising of bids,
12 communication service, postage, washing towels, repairs and
13 alterations, and other miscellaneous supplies and expenses
14 not otherwise provided for and necessary for the practical
15 and efficient work of the Department of Agriculture,
16 \$2,881,000: *Provided*, That this appropriation shall be re-
17 imbursed from applicable appropriations for travel expenses
18 incident to the holding of hearings as required by the Ad-
19 ministrative Procedure Act (5 U.S.C. 1001).

20 OFFICE OF INFORMATION

21 SALARIES AND EXPENSES

22 For necessary expenses of the Office of Information for
23 the dissemination of agricultural information and the co-
24 ordination of informational work and programs authorized by
25 Congress in the Department, \$1,431,665, of which total

1 appropriation not to exceed \$537,000 may be used for
2 farmers' bulletins, which shall be adapted to the interests
3 of the people of the different sections of the country, an
4 equal proportion of four-fifths of which shall be delivered
5 to or sent out under the addressed franks furnished by the
6 Senators, Representatives, and Delegates in Congress, as
7 they shall direct (7 U.S.C. 417) and not less than two
8 hundred and thirty-three thousand and fifty copies for the
9 use of the Senate and House of Representatives of part 2
10 of the annual report of the Secretary (known as the Year-
11 book of Agriculture) as authorized by section 73 of the
12 Act of January 12, 1895 (44 U.S.C. 241) : *Provided*, That
13 in the preparation of motion pictures or exhibits by the
14 Department, not exceeding a total of \$10,000 may be used
15 for employment pursuant to the second sentence of section
16 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
17 amended by section 15 of the Act of August 2, 1946 (5
18 U.S.C. 55a).

19 LIBRARY

20 SALARIES AND EXPENSES

21 For necessary expenses, including dues for library mem-
22 bership in societies or associations which issue publications
23 to members only or at a price to members lower than to
24 subscribers who are not members, \$900,000.

1 TITLE II—CORPORATIONS

2 The following corporations and agencies are hereby
3 authorized to make such expenditures, within the limits of
4 funds and borrowing authority available to each such corpo-
5 ration or agency and in accord with law, and to make such
6 contracts and commitments without regard to fiscal year
7 limitations as provided by section 104 of the Government
8 Corporation Control Act, as amended, as may be necessary
9 in carrying out the programs set forth in the budget for the
10 fiscal year 1960 for such corporation or agency, except as
11 hereinafter provided:

12 FEDERAL CROP INSURANCE CORPORATION FUND

13 Not to exceed \$2,330,000 of administrative and operat-
14 ing expenses may be paid from premium income.

15 COMMODITY CREDIT CORPORATION

16 RESTORATION OF CAPITAL IMPAIRMENT

17 To restore the capital impairment of the Commodity
18 Credit Corporation determined by the appraisal of June 30,
19 1958, pursuant to section 1 of the Act of March 8, 1938,
20 as amended (15 U.S.C. 713a-1), \$1,435,424,413.

21 LIMITATION ON ADMINISTRATIVE EXPENSES

22 Nothing in this Act shall be so construed as to prevent
23 the Commodity Credit Corporation from carrying out any
24 activity or any program authorized by law: *Provided*, That
25 not to exceed \$39,600,000 shall be available for adminis-

1 trative expenses of the Corporation: *Provided further*, That
2 \$1,000,000 of this authorization shall be available only
3 to expand and strengthen the sales program of the
4 Corporation pursuant to authority contained in the
5 Corporation's charter: *Provided further*, That not less than
6 7 per centum of this authorization shall be placed in reserve
7 to be apportioned pursuant to section 3679 of the Revised
8 Statutes, as amended, for use only in such amounts and at
9 such time as may become necessary to carry out program
10 operations: *Provided further*, That all necessary expenses
11 (including legal and special services performed on a contract
12 or fee basis, but not including other personal services) in
13 connection with the acquisition, operation, maintenance,
14 improvement, or disposition of any real or personal property
15 belonging to the Corporation or in which it has an interest,
16 including expenses of collections of pledged collateral, shall
17 be considered as nonadministrative expenses for the purposes
18 hereof.

19 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
20 FOR COSTS OF SPECIAL ACTIVITIES

21 To reimburse the Commodity Credit Corporation for
22 authorized unrecovered costs through June 30, 1959 (in-
23 cluding interest through date of recovery), as follows: (1)
24 \$63,875,000 under the International Wheat Agreement Act

1 of 1949, as amended (7 U.S.C. 1641-1642) ; (2) \$104,-
2 508,000 for commodities disposed of for emergency famine
3 relief to friendly peoples pursuant to title II of the Act of
4 July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724) ;
5 (3) \$968,016,000 for the sale of surplus agricultural com-
6 modities for foreign currencies pursuant to title I of the Act
7 of July 10, 1954, as amended (7 U.S.C. 1701-1709) ; (4)
8 \$35,000 for grain made available to the Secretary of the
9 Interior to prevent crop damage by migratory waterfowl
10 pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446) ;
11 (5) \$129,000,000 for strategic and other materials acquired
12 by the Commodity Credit Corporation as a result of barter
13 or exchange of agricultural commodities or products and
14 transferred to the supplemental stockpile pursuant to Public
15 Law 540, Eighty-fourth Congress (7 U.S.C. 1856) ; (6)
16 \$1,056,500 for transfers to the appropriation "Diseases of
17 animals and poultry" pursuant to authority contained under
18 such head in the Department of Agriculture and Farm Credit
19 Administration Appropriation Act, 1959; and (7) \$1,607,-
20 000 for transfers to the appropriation "Marketing research
21 and service" pursuant to the Act of August 31, 1951 (7
22 U.S.C. 414a) , for grading tobacco and classing cotton with-
23 out charge to producers, as authorized by law (7 U.S.C.
24 473a, 511d) .

1 TITLE III—RELATED AGENCIES

2 FARM CREDIT ADMINISTRATION

3 Not to exceed \$2,125,000 (from assessments collected
4 from farm credit agencies) shall be obligated during the
5 current fiscal year for administrative expenses.

6 FEDERAL FARM MORTGAGE CORPORATION

7 The Federal Farm Mortgage Corporation is authorized
8 to make such expenditures, within available funds and in
9 accordance with law, as may be necessary to liquidate its
10 assets: *Provided*, That funds realized from the liquidation
11 of assets which are determined by the Board of Directors
12 to be in excess of the requirements for expenses of liquida-
13 tion shall be declared as dividends which shall be paid into
14 the general fund of the Treasury.

15 TITLE IV—GENERAL PROVISIONS

16 SEC. 401. Within the unit limit of cost fixed by law,
17 appropriations and authorizations made for the Department
18 under this Act shall be available for the purchase, in addition
19 to those specifically provided for, of not to exceed four
20 hundred and twenty-five passenger motor vehicles, of which
21 four hundred and twenty-three shall be for replacement
22 only, and for the hire of such vehicles.

23 SEC. 402. Provisions of law prohibiting or restricting

1 the employment of aliens shall not apply to employment
2 under the appropriation for the Foreign Agricultural Service.

3 SEC. 403. Funds available to the Department of Agri-
4 culture shall be available for uniforms or allowances therefor
5 as authorized by the Act of September 1, 1954, as amended
6 (5 U.S.C. 2131).

7 SEC. 404. No part of the funds appropriated by this
8 Act shall be used for the payment of any officer or employee
9 of the Department who, as such officer or employee, or on
10 behalf of the Department or any division, commission, or
11 bureau thereof, issues, or causes to be issued, any prediction,
12 oral or written, or forecast, except as to damage threatened
13 or caused by insects and pests, with respect to future prices
14 of cotton or the trend of same.

15 SEC. 405. Except to provide materials required in or
16 incident to research or experimental work where no suitable
17 domestic product is available, no part of the funds appro-
18 priated by this Act shall be expended in the purchase of
19 twine manufactured from commodities or materials produced
20 outside of the United States.

21 SEC. 406. Not less than \$1,500,000 of the appropria-
22 tions of the Department for research and service work au-
23 thorized by the Acts of August 14, 1946, July 28, 1954, and
24 September 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat.

1 1793), shall be available for contracting or grants in accord-
2 ance with said Acts.

3 SEC. 407. No part of any appropriation contained in this
4 Act or of the funds available for expenditure by any cor-
5 poration or agency included in this Act shall be used for
6 publicity or propaganda purposes to support or defeat legis-
7 lation pending before the Congress.

8 This Act may be cited as the "Department of Agricul-
9 ture and Farm Credit Administration Appropriation Act,
10 1960".

86TH CONGRESS
1ST SESSION

H. R. 7175

[Report No. 365]

A BILL

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. WHITTEN

MAY 15, 1959

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued May 19, 1959
For actions of May 18, 1959
86th-1st, No. 79

CONTENTS

ACP.....	1
Agricultural	
appropriations.....	1
Apple production.....	1
Appropriations.....	1,2
Area redevelopment.....	10
Buildings.....	30
Claims.....	4
Commodity loans.....	1
Conservation reserve.....	1
Contracts.....	6
Education.....	9,15
Electrification.....	28
Employment.....	12
Farm program.....	25
Fisheries.....	23
Food-for-peace.....	29
Food stamps.....	31
Foreign currencies.....	8
Forestry.....	21,32
Great Plains.....	11
Housing.....	7,19

Lands.....	21
Milk.....	27,31
Personnel.....	16,20
Postal service.....	5
Price supports.....	22
Property.....	26
Recreation.....	21
Reorganization.....	3
Research.....	7,11,18
School lunch.....	31
School milk.....	31
Soil conservation.....	13,25
Sugar.....	33
Surplus food.....	29,31
Taxation.....	9,24
Twine purchases.....	1
Water conservation.....	13,25
Wheat.....	14
Wilderness.....	17
Wildlife.....	18,26

HIGHLIGHTS: House debated agricultural appropriation bill. House committee reported general Government matters appropriation bill. House committee reported bill to extend Reorganization Act. Rep. Hogan introduced and discussed farm bill. Rep. Wolf introduced and discussed bill to transfer to HEW school lunch program, special milk program, and responsibility for distribution of surplus foods to needy and to establish food stamp plan.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1960. Began and concluded debate on this bill, H. R. 7175. The bill had been reported without amendment by the Appropriations Committee during recess, May 15 (H. Rept. 365). At the request of Rep. McCormack passage of the bill was postponed until Wed., May 20. pp. 7445-88, ~~7507~~ (Attached to this Digest are excerpts from the committee report.)

Rejected the following amendments:

By Rep. Michel, 53 to 95, to reduce the 1960 forward authorization for the Agricultural Conservation Program from \$250 million to \$100 million. pp. 7476-9

By Rep. Byrnes, Wis., 51 to 89, to provide that no part of any funds appropriated for soil building and soil and water conserving practices shall be used to make small-payment increases. pp. 7479-80

By Rep. Vanik, to strike out a proviso that no part of AMS funds shall be available for publishing estimates of apple production for other than the commercial crop. pp. 7481-2

By Rep. Avery, 49 to 59, to provide that no part of CCC funds shall be used to process a commodity loan in excess of \$50,000. pp. 7484-7

By Rep. Vanik, to provide that the fair rental value of land under the Conservation Reserve Program shall also be "based upon its reasonable market value as agricultural land." p. 7487

By Rep. Vanik, to strike out Sec. 405 of the bill, which provides that, except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by the bill shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States. pp. 7487-8

Pending at adjournment was a motion by Rep. Taber to recommit the bill to the Appropriations Committee with instructions to report it back with an amendment providing that no part of CCC funds shall be used to process a commodity loan in excess of \$50,000. p. 7488

2. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL FOR 1960. The Appropriations Committee reported without amendment this bill, H. R. 7176 (H. Rept. 366). p. 7509
3. REORGANIZATION. The Government Operations Committee reported with amendment H. R. 5140, to extend the Reorganization Act of 1949 (H. Rept. 367). p. 7509
4. CLAIMS. Passed as reported H. R. 6000, to amend title 28 of the U. S. Code so as to increase the limit for administrative settlement of claims against the U. S. under the tort claims procedure from \$1000 to \$2000. p. 7424
5. MAIL CHARGES. Passed as reported H. R. 5212, to reduce the existing minimum charge on pieces of third-class mail of odd sizes and shapes from 6 cents to 3½ cents. p. 7425
6. CONTRACTS. Passed without amendment H. R. 4060, to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commences to run on most Federal construction projects. p. 7425
7. HOUSING. Rep. Herlong inserted an explanation and analysis of H. R. 7117, the housing bill for 1959, which includes a provision extending the farm housing research program for 2 years, until June 30, 1961, and authorizes appropriations of \$50,000 for each year for this program. pp. 7495-8
8. FOREIGN CURRENCIES. Received from the Interstate and Foreign Commerce Committee a report on the use of foreign currencies by that committee between July 1 and Dec. 31, 1958. p. 7508
9. EDUCATION; TAXATION. Received from the Budget Bureau a proposed bill "to discontinue Federal grants for vocational education and for construction of waste treatment facilities, and to reduce the Federal excise tax on local telephone service to assist the States in assuming financial responsibility for these programs"; to Ways and Means Committee. p. 7509
10. AREA REDEVELOPMENT. As reported (see Digest 77), S. 722 provides as follows: Creates an Area Redevelopment Administration as a separate agency of the Executive Branch. Authorizes this agency to designate industrial and rural redevelopment areas (a rural area being any county (1) which is among the 500 counties ranking lowest in level of living of farm-operator families or (2) which is among the 500 counties having the highest percentage of commercial farms producing less than \$2,500 worth of products for sale annually). Authorizes the agency to make loans for industrial projects in industrial redevelopment areas out of a revolving fund of \$75 million, and to make loans for industrial projects in rural redevelopment areas out of another \$75 million revolving fund (these funds to be provided by appropriation). Authorizes the agency to make loans and grants for constructing or improving public facilities, or for purchasing or developing land for public facility usage, in redevelopment areas. Vests

Agriculture to the Department of Health, Education, and Welfare, and to establish a food stamp plan; to Agriculture Committee. Remarks of author. pp. 7503-6.

32. FORESTS. H. J. Res. 396, by Rep. McGovern, to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior; to Agriculture Committee.
33. SUGAR. H. R. 7208, by Rep. Saund, to amend section 301(c)(2) of the Sugar Act of 1948 to require that certain producers of sugar beets who are also processors of sugar beets shall pay for sugar beets purchased by them from any other producer at rates determined by the Secretary of Agriculture to be fair and reasonable; to Agriculture Committee.

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COMMITTEE HEARINGS ANNOUNCEMENTS:

- May 19: Wheat bill, H. Agriculture (exec - full committee).
Establishment of Youth Conservation Corps, S. Labor and Public Welfare (Cliff and Crafts, FS, to answer questions).
May 20: Addition of lands to Boise and Payette Forests, S. Interior (Crafts, FS, to answer questions).
May 21: Two private bills on land adjustments, S. Agriculture (Florance and Swarthout, FS, to answer questions).
June 1: Transfer of acreage allotments, etc., H. Agriculture (McLain to testify).

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EXCERPTS FROM THE COMMITTEE REPORT ON THE DEPARTMENT OF AGRICULTURE
AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

Benefits to General Public

"Included in the budget submission to the Committee were requests for large sums for activities of the Government which are only slightly related to the farmer. Unfortunately, many leaders, speakers, and members of the press, frequently lump all funds of the Department together when discussing the price support program. They overlook the fact that the funds for the Department include amounts for many other activities which are not directly related to that program. Even payments under the Sugar Act, where costs are more than covered by collections from processing taxes, and loan authorizations, where the amounts are repaid with interest, have frequently been claimed as part of the annual expense to the Government for price supports.

"In the opinion of the Subcommittee, at most only the appropriations for restoration of capital impairment of the Commodity Credit Corporation should be considered as the direct cost of price supports for the farmer. For fiscal year 1960, the bill carries \$1,435,424,413 for this purpose. This would be much less if a proper sales program had been in effect. Of this amount, over 50 percent is paid to non-farm individuals for the cost of storage, handling, interest, transportation, and administration.

"While there are mixed benefits from most of the operations of the Department, many of them are of more benefit to the general public than to the farmer. In the opinion of the Subcommittee, the following activities of the Department are of primary benefit to the general public and should not be charged exclusively to the farmer: (1) Improvement and protection of public health, including home economics research, plant and animal disease and pest control, meat and poultry inspection, school lunch and special milk programs, and donations to schools, institutions and needy people; (2) International relations and National defense, including Foreign Agricultural Service, donations to Veterans Administration and Defense Department, donations to needy people abroad, International Wheat Agreement, emergency famine relief, sales for foreign currencies (Public Law 480), and bartered materials for stockpile; (3) Regulation and improvement of marketing, including all marketing research and regulatory activities, market inspection, grading, classing and standards, agricultural estimates, market news services, freight rate services, the Commodity Exchange Authority and the Farmers Cooperative Service; and (4) Conservation of natural resources, including the Soil Conservation Service, watershed protection, flood prevention, Great Plains program, and Agricultural Conservation Program.

"The amount included in the bill for these four major categories of expense, which benefit every person in the Nation, is over \$2.2 billion. This is approximately 56 percent of the total amount of appropriations carried in the bill for fiscal year 1960."

The Current Situation in Agriculture

"Even with the figures placed in proper perspective, the situation in agriculture does not present a good picture.

"The year 1958 was another year of general overproduction, beyond that necessary for domestic and foreign markets. Such overproduction is expensive to the Government, to the farmer, and to all concerned.

"There was a slight improvement in the general farm income in 1958. However, this resulted largely from improved livestock prices as a result of restocking Western ranges and from direct payments to farmers of over \$1 billion from the Treasury for Soil Bank and other Federal programs. It also included some income for December, 1958, which normally would have been carried into 1959.

"Despite this, the general situation seems to be deteriorating, as the prices of farm commodities continue to go down and the costs of farm production continue to increase, and acreage is rented and CCC holdings continue to increase. Further, the take of those between the farmer and the consumer continues to increase as fast as farm prices go down -- and the consumer pays more and more.

"The year 1958 resulted in one of the greatest production records in history. In fact, one of the major reasons for the slight farm income increase in 1958 was the sale of these extra units which were produced by farmers in their effort to offset price reductions.

"Notwithstanding the much lower price-support levels in effect in 1958, and notwithstanding the payment of over \$800 million to take acreage out of production, crop production in 1958 was the highest on record. And, the record shows that CCC investment and holdings continue to grow. It is estimated that under present policies they will exceed \$9 billion by June 30, 1959 and may reach \$10.5 billion by June 30, 1960.

"While it is doubtless true that favorable weather was a factor, this production record follows a continuing trend in spite of price-support reductions and efforts to control production by restricting and renting of acreage. In fact, the Subcommittee believes that 1958 shows that acreage reductions no longer work, either by restrictions or by renting acreage under the Soil Bank.
* * *

"Since 1956, the Soil Bank has cost the Federal Government nearly \$2½ billion. As pointed out previously, it has had little, if any, effect toward reducing production. The acreage reserve, costing \$1.7 billions, was junked this year on the recommendation of the Secretary and the President.

"The conservation reserve section of the Soil Bank reaches relatively few farmers -- only 125,000 in 1957-58 -- and has committed the Federal Government to some \$700 million to date; and we are obligated to honor some contracts for 10 to 15 years longer. This program has had no real effect on production. In addition, the hearings disclose many examples of lax handling and wasteful practices.

"The Subcommittee recognizes that it is not only to the interest of the farmers, the Treasury, and the Nation, that farm production be brought in line with that needed for domestic and foreign markets, but that it is absolutely necessary. A majority of the members of the Subcommittee are convinced, however, that each succeeding year proves that merely reducing support prices or renting acreage will not bring about the necessary reduced production. The record proves that this approach will not bring about the needed result."

Latest Revision of Parity Index

"On January 30, 1959, the Department reduced farm price supports an additional \$180 to \$200 million by lowering the parity index another 3 percent. This was another step which will do little except reduce farm income.

"The records of the Department indicate that this very drastic revision was based on only fragmentary information obtained through a sample survey of about 12,000 farms in some 300 counties. This represents about one-fourth of 1 percent of the farm families in a little over 10 percent of the counties in the United States."

Recommendations of the Department

"Believing the situation sufficiently serious to call for the help of all, the Committee requested the Secretary and the Department to submit to the Committee all the changes in existing law which he and the Department believe are needed. The Secretary acceded to our request. This presentation may be found

at pages 3019 to 3062, Volume 4, of the hearings. A majority of the Subcommittee differs with the views and recommendations. However, we do appreciate his cooperation. Until this time it has not been completely clear as to just what specific changes in law the Secretary and the Department endorsed. We asked that the recommendations be in bill form so that there could be no misunderstanding as to the exact intent.

"Specifically, the Secretary recommends that he be given discretion by legislation to set price supports for wheat, peanuts, and tobacco as low as 75 percent of the average price received for the preceding three years. Also, he would provide for relaxing all controls within a few years.

"The record for the past six years, and particularly for 1958, where, with an average 20 percent reduction in price supports, we find a greatly increased production, certainly should indicate where such a course leads. We do appreciate the cooperation of the Secretary in making the submission. We do retain our differences, for we believe acreage controls are no longer effective. However, it is our belief that to remove all controls as has been done this year with corn, which has led to an estimated increase in planted acres from 72 million to 90 million acres, will only further aggravate the situation.

"Also recommended was authority to reduce price supports on wheat to \$1.60 per bushel. In the Secretary's words 'such level should lead to using 200 to 300 million bushels of wheat annually for feed --'. Apparently, the Secretary sincerely believes this would not displace present use of corn or other feeds but would be absorbed in more feeding to livestock. This certainly seems highly doubtful.

"It is to be noted that the Department says this much wheat would feed 11.3 million cows for a year or 16.8 million hogs per year. (Page 2340, Volume 4, of the hearings.)

"What that would do to livestock farmers, we believe is apparent.

"The Secretary further recommends continuing and increasing the size and scope of the Soil Bank. As the Committee has pointed out, the acreage reserve, where highly productive acreage was rented, has been abolished because the President, the Secretary, the Department, and the Congress, after spending \$1.7 billion, have all agreed it was no answer.

"In view of that experience, it is hard to understand how anyone could believe that renting second rate land under the conservation reserve could make any real dent in production. Actually if the law authorize the rental of all the 275 million acres of the 2.6 million small farms, which represent 56 percent of the total farms of the nation, to be put in the Soil Bank, this would retire only 9.1 percent of total commercial production. And that would be contingent upon the larger producers not increasing their production. If such lands were rented at \$10 per acre, this would cost \$2.75 billion annually.

"If on the other hand whole farms were not rented, but only part of each farm were retired, under present conditions the individual farmer could take his rent money, buy more fertilizer and better seed and increase his total production.

"Also recommended was an increase in the Public Law 480 program -- sales for foreign currencies. At best this is only an adjunct to our foreign aid program and does little to regain markets, increase use, or solve our basic problem in Agriculture. Reports from the Department show the Department doesn't even know the price at which these commodities are resold in the respective foreign countries."

Commodity Credit Corporation

"For the farm program to have ever worked, the Commodity Credit Corporation, which handles the price support program, would have had to use its authority to sell its commodities in world markets at competitive prices. The Secretary

agrees this authority has always existed. (Page 12, Part 1, of the hearings.) This is necessary to keep U. S. commodities available to our customers, to prevent expanded production in foreign lands and to protect the Treasury."

Competitive Sales Authorized

"The law provides and always has provided for such sales. The law contemplates that the Commodity Credit Corporation will obtain its money to finance its operations to the fullest extent possible from such sales. For years, however, the Department and the Corporation failed to follow that course. In addition to the damage done U. S. producers by holding this umbrella over foreign production, the ill effect on the Corporation and the Treasury has been tremendous.

"In January, 1953, the Commodity Credit Corporation was a \$6.75 billion Corporation holding \$2.5 billion worth of commodities and loans. During 1953, 1954, and much of 1955, the Corporation and the Department refused to sell competitively and thereby finance itself by such sale of commodities. On January 1, 1956, the Corporation's holdings had increased from \$2.5 billion to \$8.7 billion.

"Since the Corporation did not have the proceeds from these sales on which to operate, the Department requested authority to increase borrowings from the Treasury. Congress approved, and by January, 1956, the Corporation's capital authorization had grown from \$6.75 billion to \$12 billion.

"During this period, the Committee frequently pointed out the failure of the Department to sell commodities on a competitive basis throughout the world. It pointed out that this huge corporation, under the control of the Department, was busy taking in commodities, but had no sales organization or sales manager. This Committee directed that the Corporation set up a sales organization with a sales manager. The position has been filled by a very able person. However, a check of the minutes of the CCC Board of Directors clearly demonstrated that the sales manager of the Commodity Credit Corporation has little if any influence in policy determinations. On occasion he has been virtually a salesman, but without authority to sell. The worst example of this is cotton this year when the sales manager was directed not to sell competitively.

"The Committee would point out again that this failure to sell competitively in world markets not only has invited expansion in foreign production, it also has increased storage and handling costs to the Corporation and thereby to the Government. Further, where proceeds of sale of these commodities would have been available to operate the Commodity Credit Corporation, the failure to sell has increased the cost of the Department. The Congress has had to increase the borrowing authority of the Commodity Credit Corporation. Thus the Department's policies have resulted in a larger corporation at much greater cost to the Government.

"It is now readily agreed that the authority to sell competitively in world markets has always existed. Insofar as other commodities are concerned there is no law requiring competitive sales; but the obligation of the officials of the Commodity Credit Corporation to the American people, and their obligations as officials of that Corporation, would require that commodities on hand be sold in world markets competitively."

Competitive Sales Directed by Law

"Failure to sell led to such huge Commodity Credit Corporation holdings, increased the cost of government to such degree and held an umbrella over foreign producers (who to a great degree were American, financially) that in 1956 Congress passed the Agricultural Act of 1956, directly requiring the Secretary of Agriculture and the CCC to sell cotton in world markets at such price as may be

necessary to reestablish and maintain the United States' fair share of world markets. The Secretary and officials of the Department agree that during the current year the Department has not offered cotton competitively for a variety of reasons. The Comptroller General, in an opinion which is to^{be} found on page 2365, Part 4 of the hearings, states that this failure was in violation of the law. The Comptroller General states:

This action, in our opinion, does not comply with the requirements of section 203 of the Agricultural Act of 1956 (7 U. S. C. 1853).

"It is to be noted that this failure to sell, as authorized by law for other commodities and as directed by law and in violation of law, insofar as cotton is concerned, has contributed substantially to the increased size and present investment of the CCC. Had the Department offered cotton competitively this year and sold cotton up to the point of our normal share of world markets, enormous benefits would have accrued to the American cotton producer in removing the incentive for foreign expansion. In addition, the CCC would have had more than one hundred million dollars of sales receipts to use for its general operation. These millions of dollars on hand would have reduced by that amount the necessary borrowing of the Corporation, which is the other means for the Corporation to meet its obligations.

"The Committee is advised that a meeting of the International Cotton Advisory Committee is to be held here May 14-22. We strongly urge that the Agricultural Act of 1956 which directs 'competitive sales to the point of restoring and maintaining the U. S. fair share of world markets' be clearly pointed out at such meeting. We believe this necessary to prevent future misunderstandings."

Proceeds Should Be Used To Finance CCC Operations

"The Committee, in its efforts to have this Corporation meet its financial needs to the maximum extent possible from sale of commodities, and in its efforts to reduce the need of the Corporation to ask the Congress for appropriations or increased borrowing authority, has reduced the requested funds for restoration of capital impairment of the Corporation by \$100 million. This amount can be obtained by a return to competitive sales, as directed by the law.

"The Committee has perhaps waited far too long to take this type of drastic action to force the Corporation to sell its commodities, reduce its storage costs, and meet its operating needs to the fullest possible extent from the proceeds of sales. The Committee expects to review future action or lack of action of this Corporation and expects to insist that this approach be fully utilized, so that capital impairment restorations can be limited to losses from sales. In its opinion, the borrowing authority of the Corporation should be used only as funds from sales fail to meet the needs of the Corporation."

Meeting Increased Needs For Services

"Many Members of Congress and non-Government witnesses appeared before the Committee again this year in support of various activities of importance to Agriculture. Some of these activities were included in the 1960 Budget and are provided for in the accompanying appropriation bill. Many of them, however, were not in the Budget and could not be included in the bill.

"It appears to the Committee that many of these projects have merit and should be given further consideration by the Department in working out its program for fiscal year 1960.

"The Committee recognizes that there is an ever-increasing demand for research, extension, marketing services, and other functions performed by the Department. It also recognizes that under present conditions there is a practical limit to the amount of funds which can be provided for these activities each year. Therefore, to make it possible to take on new and more promising lines of work from time-to-time, within annual appropriation limitations, it is recommended that the Department consider several courses of action.

"First, it should review carefully present work underway and discontinue activities which have become of marginal value. This is especially important in the research field, since results are hard to measure and the particular value in some instances is hard to determine.

"Also, it should redirect present activities in the direction of the new needs to be met. It is essential that the programs of the Department be kept flexible in order to meet the ever-changing demands of a growing and changing Agriculture.

"Further, it should adopt a program of contractual arrangements on a cooperative basis with private industry wherever possible. This type of arrangement could be particularly effective in the field of research. The Department could greatly expand its work within existing funds by arranging for private organizations interested in certain lines of work to finance a portion of the cost and to participate directly in the projects undertaken.

"This should have benefits both to the Government and to the cooperating organizations. It should enable the cooperating organizations to exercise closer direction over the work being done to make certain that the results meet their needs. It would also enable the Department to satisfy more of the demands made upon it. Further, the close association with representatives of private industry should be of value to the Government personnel involved.

"The Committee realizes that, in the final analysis, it is a matter of determination by the Department as to the relative importance of the additional projects, as compared to work already underway. Such determinations must be made by the Department each year in planning and operating its programs within funds available. Since it does not seem reasonable to assume that all new needs should be met by providing additional funds year after year to meet these new needs, it becomes increasingly essential that the Department give consideration to the proposals outlined above as a means of meeting the problem."

Additional Research Facilities

"One of the chief costs to cotton producers back through the years has been the damage by boll weevil. It is estimated that the boll weevil damage through the years has totaled many billions of dollars. Recognizing this situation last year the Committee provided funds and directed the Department to make a thorough study and present recommendations to the Committee for a research program and laboratory to work on this problem of the boll weevil.

"The Department set up a special committee to make this investigation. The special committee made such investigation and did a fine job of presenting the needs in this field. The special committee made recommendations to the Department. We had hoped by this time to have firm plans submitted to the Committee. However, the Department has not yet reached any conclusions on such recommendations, and has made no recommendations to this Committee. It has no concrete plans at the present time.

"While the Committee strongly supports the necessity for such research laboratory and research, it is in the position of not having concrete proposals, plans, nor recommendations from the Department. The majority of the members of the Subcommittee do not feel they are in position to provide funds prior to a firm conclusion by the Department, supported by a submission of detailed plans for construction and operation of such laboratory. Though we have not provided

funds in this bill, in view of the circumstances, we strongly urge the Department to proceed to make a firm determination in this matter, and submit its plans in detail to the subcommittee.

"Also, last year this Subcommittee called on the Department to make investigations as to need for further soil and water conservation research throughout the Nation. In this field, too, the Department appointed a special committee to make such a study. The special committee in turn submitted its proposals to the Department for review. The Department referred a copy of such study to the subcommittee without comment or recommendation.

"The special committee report proposes construction and equipping of 11 new research facilities and the expansion of 28 existing research stations. It further proposes increases in annual operating funds for 66 existing locations. It proposes a major construction program of \$20 to \$25 millions -- and this cost may be much higher when firm estimates are developed. It also proposes to add \$19 to \$20 million annually to the operating costs of the Department.

"The report appears to the Committee to be primarily a catalogue of all of the needs throughout the Country which can possibly be foreseen. Actually it appears to include everything that everyone in every area of the Nation wants, without any priority listing or supporting evidence of need.

"In the absence of firm recommendations from the Department, and in the absence of budget estimates supporting such a program, or any portion thereof, the Committee has not acted on the findings in this report. The members of the Committee trust that this report will have further study by the Department and that recommendations will be forthcoming from the Department and the Bureau of the Budget at such time as firm plans have been made and budget estimates have been developed."

Meat and Poultry Inspection

"In considering the meat and poultry inspection programs, the Committee has become seriously concerned with the current and potential levels of appropriations for these two activities.

"The Committee is not unmindful of and is sympathetic with the basic intent of the acts under which these programs are operated, i.e., to prohibit the sale of products from diseased animals or birds and to assure a sanitary product. However, the Committee is concerned with the extent of inspection activities now required, and the current and potential expenditures associated therewith, which appear to go far beyond those necessary to protect the public from disease and health hazards.

"Sizeable expenditures of public funds for additional inspection of food products containing only portions of meat and poultry which have already been officially inspected and passed for wholesomeness can be seriously questioned as being in the public interest from the standpoint of health protection. There appears to be little merit to or public health protection from providing such costly inspection services at public expense. Inspection services at public expense, designed to assure such things as composition and ingredients of food products merely because they contain meat or poultry is a luxury we can ill afford in view of more important uses for the taxpayer's dollar.

"In view of the Committee's concern in this matter, and in view of the continuous expansion in the field of prepared or convenience-type foods containing meat and poultry, the Department is directed to (a) review its meat and poultry inspection programs to assure that funds made available in the bill are used to provide adequate inspection of livestock and poultry at time of slaughter; (b) review policies and procedures for inspection of food products containing meats or poultry subject to the Acts, with a view to eliminating or reducing these requirements, including consideration of legislative changes as may be necessary; and (c) submit a report to this Committee on its findings and actions."

Agricultural Research Service

***"The Committee has received many complaints from people in various parts of the country concerning the program now underway to eradicate the fire ant in the southern part of the country. The record of the hearings on the 1960 Budget is full of statements and communications on this subject. Officials of the Department are requested to review this matter so as to eliminate as far as possible any harmful features of this program. In particular, further study should be given to the aerial application of insecticides to make certain that only granular poison is used. In addition, the Committee feels that this program should be undertaken only in those areas where the local governments and the landowners have given their consent.

"Testimony before the Committee indicates that the Department's research work at many of its laboratories and field stations is suffering from the lack of adequate labor and other subprofessional assistance to relieve the higher-paid scientists of the more routine duties involved. The Committee feels that more effective research work could be done if arrangements were made under contract or through cooperative agreements to employ help needed in preparation of experimental plants, harvesting of experimental crops, caring for experimental animals, and care and maintenance of buildings, equipment, and other research facilities. To enable the Administrator of the Agricultural Research Service to meet this problem, the Committee has included language which will carry forward \$1,000,000 of unused funds from the 1959 appropriation for this purpose." ***

"During its special study of the swine industry a disease of small pigs known as 'transmissible gastro enteritis' and designated as TGE came to the Committee's attention. It is understood that this disease has reached serious proportions in certain parts of the corn belt. Apparently, the Department has little information on the subject and is conducting no research on the problem, other than through a small project in cooperation with Purdue University. In view of the potential threat to the swine industry from this disease, the Department is requested to study this matter during the coming year. ***

"During the last session of Congress and again this session, legislation has been introduced which would permit the Department to perform meat inspection services through officers or employees of State agencies. The Committee feels that this may offer a partial solution to the problem of meeting increased demands for meat inspection. It urges the Department, to give such approach thorough consideration in preparing future budget estimates for this activity.

"The Committee also wishes to encourage the Department to give further study to the possibility of placing less emphasis on quality control in connection with its meat inspection function."

Soil Conservation Service

***"As pointed out in previous reports, the Committee feels that some expansion in funds and personnel is necessary each year as new districts are organized. The basic law guarantees the services of soil conservation experts to all districts, both new and existing ones. Therefore, the Committee has provided additional funds for next year to assure adequate assistance to all of the 2,861 districts expected to be in existence by June 30, 1960, and to meet the needs in watershed and flood prevention work.

"The assignment of personnel on a county or bi-county basis has worked very well in the past. However, a number of complaints have come to the Committee this year concerning the abolishing of county units in favor of a distinct type of operation. Reports have been received that some of this reorganization is for the purpose of raising grades of certain of the personnel concerned. The Committee seriously questions whether or not operating out of district offices will permit the technicians to do as good a job as has been possible under the county or bi-county arrangement.***

Watershed protection. "Watershed needs, judged by this willingness of local organizations to participate, far exceeds that of the Great Plains Program, for which a budget increase was requested. Therefore, funds for watershed projects have been restored by the Committee to the 1959 level. It is the intention of the Committee that planning funds be restored in full also.

Flood prevention. "Work on the eleven major watersheds financed through the flood prevent appropriation is still far behind a reasonable rate of progress. At the time this program was initiated in 1944, it was estimated that the projects would be completed in about 15 years. The 15 year period has now passed, yet the average rate of completion is only about 28 percent. It is estimated that it will take another 20 years to complete some of these projects, on the basis of the amount of funds requested in the 1960 budget.

"To permit the work on the major watershed projects to proceed as rapidly as possible, the Committee has restored flood prevention funds to the 1959 level. In view of the constantly increasing costs of construction, earlier completion should result in a saving in the total cost of these projects. ***

Great Plains conservation program.
/ "The participation in this program has not been as large as originally projected by the Department. In fiscal year 1958, only \$5,636,148 was obligated for this purpose, leaving an unused balance of over \$4 million available for fiscal year 1959, in addition to the 1959 appropriation of \$10,000,000. As of March 31, 1959, only \$7,095,531 of the \$14,373,853 available for 1959 had been committed. At this rate of obligation, a large carryover balance of funds will be available in fiscal year 1960 in addition to the new appropriation of \$7,500,000 included in the bill. Thus, between \$10,000,000 and \$12,500,000 will probably be available in 1960 for this program."

Agricultural Conservation Program

***"The Committee recommends an advance program authorization of \$250,000,000 for 1960. The Budget proposed to reduce this authorization to \$100,000,000 for 1960, a reduction of \$150,000,000 in the amount which has been carried in the bill each year for a number of years. This is the fourth time since 1953 that a substantial cut of this nature has been proposed by the Budget.

"The Committee received a large amount of testimony again this year from 'dirt farmers,' Members of Congress, representatives of farm organizations, and others, in support of this program. This testimony, which appears in Part 4 of this year's hearings, contains convincing evidence as to the real value of this program to the farmer and to the entire Nation.

"Approximately 1½ million farmers participate in this program each year. This is about 25 percent of all farming units in the nation. In comparison, there are less than 125,000 participants in the Conservation Reserve Program (Soil Bank), for which the Budget proposes an advance program authorization of \$375,000,000 for 1960.***

"It is the intent of the Committee that agreements between/^{the} county ASC committees and SCS provide up to 5 percent of county program fund allocations for the added expenses to SCS resulting from the Agricultural Conservation Program. The Committee is in complete accord that there be a requirement for a simple but practicable determination and mutual understanding of the demands which will be made upon the Soil Conservation Service for technical services and the extent to which this workload is to be borne by reimbursement from ACP cost-sharing funds. However, the Committee feels that the Department should give further study toward the simplification of (1) the processes involved in estimating the needs for technical services to be furnished by SCS and (2) the actual determination of costs of technical services rendered to ACP. The study should include the feasibility of using a flat charge per hour for technical services similar to that which has been developed by the Department in carrying out other reimbursable activities, such as certain inspection and regulatory activities.

Changes should be made which would materially reduce the current workload in SCS in computing and reporting upon the cost of services rendered ACP without requiring minute calculation of each element of cost. This would also have the further advantage of permitting the county ASC Committee to better estimate the cost of services to be rendered."

Agricultural Marketing Service

"A reduction of \$294,600 has been made in the marketing research activities of this organization. While the consumer preference studies have been of value in the past, the Committee feels that this work should be suspended for the coming year to provide funds for what appear to be more urgent needs elsewhere.

"School lunch program. For the fiscal year 1959, the Congress appropriated \$110,000,000 for this program. In addition, it provided for the transfer of \$35,000,000 from Section 32 funds to Section 6 of the school lunch program to be used to purchase foods needed for school lunches.

"The Committee was not at all satisfied with the Department's handling of purchases under the transfer arrangement. It was intended that these funds would be used to provide high protein foods, principally red meats, to supplement the foods otherwise used in the program. While a considerable quantity of turkeys was provided to the schools from this money, it was not until late in the year that a pork purchase program was undertaken. And no beef was ever provided from this source.

"The most unfortunate aspect of this failure to provide the red meats as expected was that most of the schools had arranged their annual operating budgets and set their meal prices last fall with full expectation of receiving this additional food assistance. Many of the schools have been faced with deficits during the year as a result.

"In order to prevent this situation from developing in the coming year the Committee has provided for the direct distribution to the schools of the entire amount of the transfer from Section 32, to be used for the purchase of necessary food items. ***

"Since it is preferable to use CCC commodities to feed school children than to keep them in storage, the Department should do everything possible to make certain that commodities are made available to the school lunch program in such quantities as can be advantageously used. The Committee recommends that the Department make determination each 30 days as to the commodities which are available for this purpose from CCC stocks, and notify school lunch authorities promptly of the specific items and quantities available for distribution to the schools."

Foreign Agricultural Service

***"The budget estimate provides a total of \$7,421,300 for the operation of this activity during the coming year. Of this amount, \$4,268,300 is requested as a direct appropriation and \$2,593,000 is requested as a transfer from Section 32 funds. In addition, the use of \$560,000 in foreign currencies derived from sales under Public Law 480 is proposed.

"The Committee recommends total funds for fiscal year 1960 of \$7,321,300. Of this amount, \$3,518,300 is provided by direct appropriation, \$2,493,000 is provided by transfer from Section 32, and \$1,310,000 is provided from Public Law 480 local currencies. Since local currencies are now available in large amounts, the Committee feels that they should be used for a greater part of the expenses of the Foreign Agricultural Service operations than heretofore."

Soil Bank Programs

***"The record of the Soil Bank programs raises many serious questions as to the advisability of continuation of the conservation reserve program. Hearings of this Committee have been filled with examples of the weaknesses of this program and the abuses to which it is subject by its very nature. The hearings this year include further examples of the waste and inefficiencies which are inherent in the program.

"The testimony presented this year also raises a fundamental question as to the real purpose of the conservation reserve program. The Assistant Secretary in charge stated during the hearings that the 'primary purpose of the program is to divert cropland from production of excessive supplies of agricultural commodities.' In view of the fact that the acreage reserve program did not prove effective in reducing production and was discontinued upon recommendations of the President and the Secretary, it is difficult to understand how the Conservation reserve in its present form can be expected to accomplish this purpose.

"Since the primary justification for continuation of the conservation reserve is to reduce production, the Committee has included language in the bill which will require that payments for land retirement be based on the value of actual production reduced.

"The conservation reserve may have some value as a conservation program, since one of its objectives is to put cover crops on land retired from production and place it in a stand-by reserve. In the opinion of a majority of the members of the Subcommittee, however, this conservation objective can be handled in a much more effective way through the other soil conservation programs of the Department, particularly the Agricultural Conservation program, commonly referred to as ACP.

"During the hearings, it was estimated that the conservation reserve program will cost between \$2.5 and \$3 billion during the fifteen-year period provided by the present Soil Bank Act. If extended another 3 years, as recommended by the President, it will cost another \$1.5 to \$2 billion. This is a total possible cost to the taxpayer of between \$4 and \$5 billion. In view of the potential size of the commitments which can be made under this long-range program, the Committee has included language in the bill to limit contracts to a period of 5 years. It is hoped that such a provision may help to hold down this tremendous expenditure in future years.

"The Committee has not included language in the bill limiting the placing of entire farms in the conservation reserve. It is the opinion of the Subcommittee, however, that the removing of any sizeable number of farms in their entirety in any given community would do far more damage to the local community than any benefit which might come from such added reduction in farm out-put. The Department is urged to proceed very cautiously on this matter."

Commodity Stabilization Service

***"Acreage allotments and marketing quotas. The full budget estimate of \$39,135,000 is included in the bill for the fiscal year 1960. This is a reduction of \$580,000 below funds provided for 1959.

"The amount recommended includes a decrease of \$3,315,000, due to termination of corn acreage allotments under legislation adopted last year. It also includes an additional \$2,735,000 to provide a 10% salary increase for Agricultural Stabilization and Conservation County Committee employees, effective July 1, 1959. Under existing law, these employees are not under the Classified Civil Service, and therefore were not covered by the salary increase provided other Federal employees last year. It would require legislation to include them, which is not within the jurisdiction of this Committee.

"This additional money is provided with the understanding that it will be distributed proportionately by the Department to all States and County offices on the basis of funds used for salaries. In the future, however, it should be left to State and County offices, to make the salary determinations in the way that will make for the most effective operations in that office. Under present law and regulations, it is the responsibility of State and local offices to establish salary rates within broad guide-lines established in Washington.

"Several years ago, additional funds were provided to bring county office salaries more nearly in line with other Federal salaries. Without the knowledge or approval of the Subcommittee, the funds were allocated to the various States in such manner as to, in effect, penalize those offices which were employing fewer people at higher salaries at a net saving to the Government. In the allocation of the funds in the accompanying bill, the Subcommittee feels that the right of every office to reduce personnel, by failing to fill vacancies, should be restored, and that any office should be permitted to hire fewer people at higher salaries, if necessary to keep salaries comparable with other Federal workers, without the penalty which occurred on the previous occasion."

Federal Crop Insurance Corporation

***"The Committee is glad to note that this program, which is still on an experimental basis, is operating satisfactorily. Due to good weather and good crop experience in 1958, premium income exceeded indemnities by nearly \$13.5 million. As a result, for the ten-year period 1948 to 1958 the accumulated surplus is \$2 million."

Rural Electrification Administration

***"The Committee was requested by representatives of the telephone cooperatives to earmark \$35 million of the telephone loan funds for the use of the cooperatives. A separate amount has not been set aside for this purpose in the 1960 bill, due to assurances received that no action will be taken by the Department which would disapprove any loans to cooperatives which have the approval of the Administrator.

"While the REA program has extended electric service to about 95 percent of all rural America, the need for loans to enlarge the carrying capacity of existing facilities and to meet a more widely dispersed rural population requires continuation of available loan funds. The REA has an enviable repayment record, in that repayments to date, including interest, exceed 100 percent of amounts due."

Farmers' Home Administration

***"The budget decrease for farm ownership loans was based on the expected increased use of the insured loan program in 1960. In the past, however, the insured loan program has not provided sufficient funds to meet the need. The Committee has restored the 1959 level of funds for this purpose to make certain that sufficient funds are available in the event private funds are not provided.

"The Committee has not gone along with the proposed decrease in funds for production and subsistence loans. The total loans for this purpose in 1958 were \$176 million, and it is estimated that \$180 million will be used in 1959. In view of the difficult problem facing most farmers during this period of declining net income, the Committee does not feel that a cut in these loan funds is advisable at this time. ***

"It is pointed out again that these funds are not appropriations but are authorizations to borrow from the Treasury, with repayment of principal and interest due from the borrower. Total collections in 1959 are estimated to be over \$216 million. For 1960, the estimate is \$231 million, which will exceed the loan authorizations recommended in the 1960 bill by \$25 million.

"As has been pointed out in previous years, the repayment record of this program is very good. The repayment of principal plus interest frequently exceeds amounts due, with some borrowers repaying in advance of the repayment rate required. In view of the fact that these loans are generally made to those who can not secure credit elsewhere, the Committee feels that this is an excellent record which fully supports the provision of adequate loan funds to meet the needs of this agency's borrowers.

"In granting funds for farm ownership loans, the Committee believes it to be highly desirable that the most cautious discretion be used to prevent placing a debt burden upon borrowers. The continuation of the so-called price-cost squeeze coupled with high land values has affected ability of some borrowers to repay loans. The Farmers' Home Administration has a dual obligation of advising the borrower and giving Government direction concerning his farm management problems and creating a national atmosphere conducive to sound land investment."

Office of the General Counsel

***"Much of the work of this organization is stereotyped and, in the opinion of the Committee, can be handled more effectively with a smaller staff. A reduction in the budget request is recommended, therefore, to encourage the new General Counsel to organize this activity on a more modest and efficient basis."

Office of Information

***"The Committee is fully satisfied with the operation of this office and wishes to commend the Director, Mr. R. Lyle Webster, and his assistants for their excellent work in this field.

"In view of its contact with the general public through radio, television, press releases, and other communications, it is very important that the work of this office continue to be handled on a strictly objective basis."

Library

***"The Committee heard testimony regarding the difficulties confronting the Department in providing adequate library services to its field personnel, particularly those engaged in the conduct of research which has expanded greatly during the past six years. While recognizing the advantages of a consolidated Department library service and believing that it should be continued to the extent practicable, the Committee has no objection to the Department's proposal that agencies requiring substantial library services in the field be given the responsibility of providing such services to their own employees, provided: (1) that this is done only at designated field locations, approved by the Department Librarian, where there is a sufficient concentration of personnel to warrant such a service, and (2) that such services are maintained in accordance with library policy and standards prescribed by the Department Librarian.

"In concurring in this proposal, it is the understanding of the Committee that there is an immediate need to maintain libraries on this basis at the Department's four utilization research laboratories, the Animal Disease Laboratory at Plum Island (and at Ames, Iowa, when the laboratory building is completed), the Forest Products Laboratory at Madison, Wisconsin, and the forest experiment stations."

Commodity Credit Corporation

"Restoration of capital impairment./Discussed earlier in report.7

"Reimbursement for special activities.**As has been pointed out previously, these activities are carried on outside of the regular functions of the Corporation. Its funds and facilities are used merely as a convenient means of financing these programs. They are not related in any way to the price support program of the Corporation."

Mr. RHODES of Arizona. Mr. Speaker, on this I demand the yeas and nays.

Mr. McCORMACK. Mr. Speaker, if the gentleman insists, I ask unanimous consent that the further consideration of the bill, which the administration is very anxious to have passed, be postponed until Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Minnesota [Mr. ANDERSEN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7175, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we bring you the agricultural appropriation bill for the coming fiscal year. It has been my privilege to present a number of these bills during the years. I think this time our subcommittee has faced one of the most trying times in which to bring about a balance between the various activities and provide the proper funds for this large and great Department. I have had numerous Members come to me and ask me what the total funds for the Department are and what the total cut for the various activities is. Mr. Chairman, I advised them that this committee has worked as hard as it knew how to point out that all the activities of the Department of Agriculture do not lend themselves to being placed into one common fund.

The Department of Agriculture has a large number of activities which are not readily chargeable to American agriculture as such. The Department of Agriculture has control of various programs that are for the protection of the people of this country. It is chargeable with funds for such activi-

ties as meat inspection and disease and pest control. In this bill are funds for the general programs of the Department, which, in turn, cover all the various activities that are required by a nation as big as ours, to see to it that not only this year but in the years to come there is adequate food and fiber for a growing population. Not only does the Department have the responsibility to carry out those activities, but there are other agencies of the Department that handle lending programs. For example, the Department of Agriculture is the agency through which loans are made for REA and for various rural housing and production programs.

Those are programs in which criteria must be met by the applicant and where there must be repayment with interest. Those are to be found in this bill.

Not only that, Mr. Chairman, but in the Department of Agriculture we have the Commodity Credit Corporation. This huge Corporation was set up because of the necessity of buying and selling and various other activities. The Congress felt that we needed a corporate entity so that it could act under the general supervision of the Congress. And yet because it is a corporation, with a board of directors which can make decisions and buy and sell and do those various things, it has been used repeatedly by the Government, both under this administration and preceding administrations, as the vehicle for doing a myriad of activities which could be done better through a corporate setup than in any other way.

Thus we find, Mr. Chairman, that a big part of the foreign-aid program—the Public Law 480 program—has been handled through the Commodity Credit Corporation because that was the best way in which to do it. And yet when we bring this appropriation bill here for the Department of Agriculture, we include funds for reimbursement of CCC for this aid to our foreign policy. And we find, and properly so, in this program, the restoration of capital to the Commodity Credit Corporation for price support programs.

If you will check those activities, as we have tried to do in our report, Mr. Chairman, you will see that at least 56 percent of the appropriated funds in this bill are for activities that are not properly chargeable to American agriculture, except perhaps on the ground that some of these Federal programs have benefits to agriculture as well as to the general public.

Our committee has tried to recognize that this is a growing country. We have tried to recognize that, in the short period of years that the United States has been in existence, we have wasted more natural resources in a shorter period of time than any nation in history.

When you sit on our committee and learn of the acres and acres of land that will no longer serve to produce many types of agricultural products because the soil is diseased; when you learn that we have given up the chestnut tree and are in the process of losing our oak trees; yes, when you learn of the inroads that disease and pests are making in this

great country of ours, you realize that the fight of the folks in the Department of Agriculture, joined in by others, to keep these inroads from becoming greater and greater, is a continuing problem and not a short-range problem.

Yes, Mr. Chairman; we have tried in this bill to give a degree of balance to the needs of the American public, to the absolute necessity that we keep the people of the future supplied with food and fiber. And in that we have tried to listen to our colleagues and others who are interested, and who recognize that specific and special attention must be given to local problems that need extra attention.

Mr. Chairman, I think we have a wonderful subcommittee. They are all fine gentlemen, interested in the American taxpayer, the American people, and in the welfare of agriculture because it is a major part of the three broad divisions of our American people. We have tried to bring together our concerted views to see to it, within the limits of what we could make available under present conditions, that attention be given to these various and increasing problems.

Mr. Chairman, we bring you a bill that in sum total has been reduced about \$142 million from the funds requested. A major part of that culminates from discussions that we have had here in the Congress concerning the farm program and specifically the handling of basic commodities. And remember this, that that there is a real difference between the treatment of the so-called basic commodities and other commodities which should be described as the difference between storable and nonstorable. If you have a huge carryover of cotton in one year, that will last 50 years and be in the way of 49 new crops. On the other hand, if you have an oversupply of potatoes, citrus, or strawberries, however big it is one year, the chances are that they would not be in your way the next year.

But be that as it may, for storable commodities, price supports were based upon holding production in line with domestic and foreign markets. I have made speech after speech, year after year on this floor pointing out that, while the basic law created the Commodity Credit Corporation for the purpose of supporting commodities by loans and purchases, it also contemplated that they would sell so as to retain to the American farmer world markets. Year after year I pointed out that law. In the hearing this year the Secretary agreed, and you will find I make reference to it in my report, that they have always had this authority to sell in world markets without regard to domestic price support levels. You will find it in his own words.

In this bill we have tried to require the Commodity Credit Corporation to do what it was intended to do to start with. It was intended that this huge Corporation get its money to operate its activities to the fullest extent possible from the receipts from commodities which it sold. In 1953, 1954, and 1955 the Department did not follow that policy. In that period the holdings of this Corporation, its payments for storage and all the rest greatly increased. In 1956 our Govern-

ment changed this policy and started selling those commodities and we have been very proud of it since. But, in 1958 and 1959 once more this Corporation reverted to holding our cotton about 4½ cents above the world markets. Thus, instead of selling a million or 2 million bales of cotton and having the receipts on which to operate, the Corporation has come to the Congress for cash with which to operate and in this bill we have failed to restore \$100 million requested for restoration of capital impairment of the Commodity Credit Corporation. In other words, if they will sell these commodities in line with what the law directs, and I cite the Comptroller General on that point and, may I say, the Secretary has assured us he will do that, through the means of getting cash for this cotton, they should be able to make up this \$100 million.

We have tried to bring the conservation reserve program into line. Many of you have read reports as to how this program has been handled in a good many areas. But, this program is offered to you as a means of bringing this production into line. Yet, all of our investigations show that frequently the payments have been made for the wrong purpose.

We have tried to write into law a provision that will protect us against that.

May I say one thing further that perhaps you will be interested in. This situation has deteriorated to the point where many of us have held the Secretary responsible for aggravating the problem. The Secretary, in turn, I am afraid, has felt it was due to the failure of the Congress to pass an appropriate law. It has been difficult in the heated arguments on both sides to determine exactly where we stand. So we asked the Secretary if he would, with the aid of the lawyers, write out for the committee, so there would not be any misunderstanding, what changes he wanted in existing law. He acceded to our request and you will find in the hearings his recommendations for wheat, tobacco, peanuts, Public Law 480, and the conservation reserve. That is in the hearings.

Needless to say, I do not agree with him, but I want to express here my appreciation to him for his willingness to spell out in print exactly where he stands. It does clear the air to that extent. Perhaps, with that start, we can bring these things together and make a determination as to just where we can go.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. COOLEY. Is it not a fact that the recommendation the Secretary made was to the effect that he should be given more discretionary power over fixing the price support levels for the several commodities?

Mr. WHITTEN. May I say to the gentleman that that certainly is true. We recognize the worthy end that the Secretary frequently mentions, and I subscribe to it, and I am sure the gentleman from North Carolina does. But I never could personally determine how he would reach his determinations and recommendations. The bill which he

submitted spells out our request and we put it in the hearing; after all, it is up to the legislative committee so far as doing anything about it, which I made quite clear at the time. For wheat, peanuts, and tobacco he wants authority to reduce price supports at his discretion to as low as 75 percent of average prices for the previous 3 years. He asked for an increase in Public Law 480, which after all is an adjunct of foreign aid, and he wants an increase for conservation reserves, which I do not think touches production top side or bottom.

Mr. COOLEY. The point I want to make is that if you accept the Secretary's recommendations, you would not reduce overall production because the record, as indicated in your report, shows that increased production has always resulted in the lowering of prices.

Mr. WHITTEN. I thoroughly agree with the gentleman. I want to express again my appreciation to the Secretary for submitting his views, because now we can see where we are and start from there. I cannot see how it would help to solve the situation if it was adopted tomorrow, however.

Mr. COOLEY. I want to congratulate the gentleman and the members of his subcommittee for making it very emphatic at the outset of this report that agriculture today is being charged with hundreds of millions of dollars which should not be charged against the farmers of America.

Mr. WHITTEN. I thank the gentleman.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. STEED. I note in your bill and in the report you have restored funds that we think are needed in the watershed program and in the soil conservation program. I see in the report that you expect to restore the program to the full extent. If the gentleman remembers, last year after the bill was finished it carried additional funds which would have permitted a \$5 million program of planning, but for some reason the Department saw fit to cut that to \$4,700,000, and this year recommended that it be cut further to \$4,300,000. The committee, I understand, has restored the full amount of funds and the report instructs the Department that the planning program go ahead on the \$5 million basis.

Mr. WHITTEN. We do not say it quite as strongly as the gentleman has. It is our opinion that the Department has slowed down on its planning work, because they have slowed down on the construction work to the point where they have construction work ahead. It is our opinion that planning should proceed faster than construction.

We have tried in this bill to provide planning money and construction money, and we strongly urge them to proceed at a rate that will take them along faster in both fields.

Mr. STEED. Last year in your report on the item of research I believe you instructed them to make certain studies and come back this year with recommendations as to what the study showed was practical.

Mr. WHITTEN. I know of the gentleman's strong interest in that field. The committee waited until the last day of the hearings, hoping to get recommendations from the Department. Instead all that was ever done was to have an additional committee which brought together a compilation, you might say, of what would be needed and what would be desired throughout the United States. It covers some hundred-odd facilities. We have yet to receive any concrete recommendation, but we have asked the Department to submit it as soon as they can. We have not had anything so far.

Mr. STEED. I hope you will have something from them very soon.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.

Mr. AVERY. I want to express my appreciation to the gentleman for yielding to me, and I want, also, to congratulate the committee on the bill they have brought before the House. I have not had time to consider it in its entirety, but, certainly, some features of it are very well thought out and very properly put in the bill.

I would like to ask the gentleman a question in regard to the ACP program. As I read the committee report I find nothing in the report on what we usually define as an annual practice within the ACP program. Am I correct in my interpretation?

Mr. WHITTEN. It is very difficult for me to say what is considered annual and what is not. There are many categories involved in this program. I say again, you have a national catalog of practices that are available within the State. A similar catalog of practices is available within the county. From that the farmer, who in the end is the one mostly involved, selects that program which he thinks would be best fitted to his land. There are plenty of chances for things to be included that should not be, but it seems adequate on the local level, where the farmer, in the final analysis, selects the practice he thinks most important for his land. The farmer, after all, has to put up his own labor and usually about the same amount of money. Actually, we have left the program as it has been for the last 2 years.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I simply want to commend the chairman and the members of the committee for a job well done. This agriculture program is a most difficult program to cope with and the committee, in my opinion, has done a good job. I especially want to thank the committee for what they did for the Soil Conservation Service in this bill.

Mr. WHITTEN. I thank my friend from Iowa.

Now to continue, I would like to discuss some of the other programs included in this bill.

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service conducts the production and utilization research of the Department—except

forestry research—and the inspection, disease and pest control, and eradication work associated with this research.

The committee recommends \$63,961,590 for the coming year for the research activities of this agency, which is \$278,410 less than the budget estimate. This provides an increase of \$1,250,000 over funds provided for fiscal year 1959, as follows: \$200,000 for construction and improvement of facilities at the National Arboretum; \$600,000 to construct facilities for crops research at Logan, Utah; \$200,000 for research on cotton mechanization and ginning at the Delta Experiment Station, and \$50,000 for quality evaluation at Clemson, S.C.; \$100,000 for various special needs, including research to meet the problems of mushrooms, research on grapevine virus diseases, research on diseases of hogs, and expanded research on soil and water conservation; and \$100,000 for additional research on the utilization of corn and grain sorghums.

The funds provided for the National Arboretum will complete a long-range program of improvements to make the facilities of the arboretum fully available to the general public. These improvements include the completion of greenhouses, entranceways, grading, foot paths, trails, the construction of two residences, and a floodwall along Hickey Creek. Construction of the headquarters office and laboratory building will be proposed at a later time.

The \$600,000 recommended for a new laboratory at Logan, Utah, covers plans, specifications, and the cost of construction of facilities needed to serve as headquarters for research on sugar beets, nematodes, forage and range plants, and new crops in the Intermountain Area. The property used for many years to provide facilities for sugar beet research at Salt Lake City, Utah, is to be sold on June 30, 1960. The new facilities provided herein are needed to replace the Salt Lake City Laboratory for the continuation of these research programs.

The demand for increased efficiency in the cotton industry has led to many technical improvements in cotton production, harvesting, ginning, and spinning. These new developments, however, have brought with them some serious problems. For example, mechanical harvesters gather substantial amounts of trash and foreign matter with the picking of cotton. Also, the use of heat at the gin to dry cotton, coupled with cleaning machines, frequently breaks and damages the fibers. The committee has included \$250,000 to initiate a program of research designed to improve the handling of cotton and to prevent further deterioration in the quality of cotton products.

For plant and animal disease and pest control, a total of \$48,340,600 is proposed for fiscal year 1960, a decrease of \$769,400 in the budget estimate and a decrease of \$4,472,100 below the 1959 appropriation. The amount recommended includes increases of \$152,900 for control of the soybean cyst nematode and \$400,000 for eradication of vesicular exanthema of swine. The amount approved also provides for a reduction of

\$5 million in the brucellosis program and a transfer of leasing costs of \$25,000 to the General Services Administration.

The soybean cyst nematode was first discovered in North Carolina in 1954. Infestations have now spread to 22 counties in Arkansas, Kentucky, Mississippi, Missouri, North Carolina, Tennessee, and Virginia. Soybeans are being grown on 24 million acres this year in the United States and the annual value of the crop is approximately \$1 billion. In view of the spread of this infestation and in view of the value of the crop involved, the committee has provided the increase listed above. This will enable the Department, in cooperation with the affected States, to conduct surveys as to the extent of infestation, to enforce Federal quarantines to prevent further spread, and to encourage adoption of farm practices to hold the infestation to a minimum.

Vesicular exanthema is a highly infectious disease of swine which is most often spread by contact with infected swine, contaminated shipping and handling facilities, or the feeding of raw garbage. This disease reached emergency proportions in 1953 and the Department has been in the process of eradicating it since that time. While it has been almost entirely eradicated, some funds are needed next year to maintain a small force to discover new cases promptly and to stamp out infection before it spreads. In the past, the program has been financed on a reimbursable basis through the Commodity Credit Corporation. It is believed preferable to finance it in the future by direct appropriation, since the program has no connection with activities of that organization.

For meat inspection, the committee recommends the sum of \$21,135,100 for 1960. This is an increase of \$350,000 over funds available for 1959. It is a reduction of \$339,900 in the budget estimate.

The Supplemental Appropriation Act of 1959, approved August 27, 1958, provided an additional \$1,750,000 to meet the increasing workload of this activity. That appropriation covered operations for only 10 months of the fiscal year 1959. The increase set forth above is provided to cover a full 12 months' cost in fiscal year 1960.

An appropriation of \$31,803,708 is recommended for grants to State experiment stations for fiscal year 1960. This amount, which is the full budget estimate, includes \$31,553,708 for payments to States and \$250,000 for the penalty mail costs of this program.

EXTENSION SERVICE

The cooperative agricultural extension work of the Department aids in making available to the people of the United States useful and practical information on subjects relating to agriculture and home economics and encourages the use of such information. The work is carried on by incorporating research results, technological advancements, and other facts of the Department, the agricultural colleges, and the experiment stations into a national educational program to provide the means by which people can solve their farm, home, marketing and related problems. The Ex-

tension Service is financed from Federal, State, county and local sources, and the use of funds provided is under the control of the States. The funds are used within the States for employment of State specialists, county agents, home demonstration agents, 4-H Club agents, and others who conduct among rural people joint educational programs adapted to local problems and conditions.

The full budget estimate of \$53,715,000 is provided for fiscal year 1960. This is the same amount as was appropriated for fiscal year 1959, prior to transfers to various other programs of the Department to cover increased pay costs, as authorized by the Second Supplemental Appropriation Act, 1959.

The budget estimate of \$5,674,375 is included in the bill for 1960 for retirement. The increase of \$195,000 over the 1959 appropriation is provided to cover the Federal contribution to the retirement fund.

It is estimated that State and county funds will increase by \$4 million in 1960 and that 75 percent of this will be used for salaries of additional extension agents. Since all extension agents are joint employees of both the Federal Government and the cooperating land-grant institutions, and are covered by the provisions of the civil service retirement fund, additional Federal retirement contributions will be required for the additional agents expected to be employed with State and local funds.

The committee recommends the full budget estimate of \$2,491,307 for penalty mail costs of State extension directors and county extension agents during the coming year, as authorized by law. This is a continuation of the amount available for the current fiscal year.

The Federal Extension Service provides the leadership, counsel and assistance to the extension services in the 49 States, Hawaii, and Puerto Rico. An appropriation of \$2,242,540 is approved for the fiscal year 1960. This is the same amount as is available for 1959, and is \$16,255 less than the budget estimate.

FARMER COOPERATIVE SERVICE

This Service conducts research, advisory and educational work with cooperatives on problems of organizations, financing, management policies, merchandising, costs, efficiency, and membership, to help farmers who are members of such organizations improve the operations of their businesses. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. The Service also advises other Federal agencies on problems relating to agricultural cooperatives.

The sum of \$615,800 is recommended for the coming fiscal year. This is the same amount as was appropriated for fiscal year 1959, and is a reduction of \$4,200 in the budget estimate.

SOIL CONSERVATION SERVICE

The Soil Conservation Service assists soil conservation districts and other co-operators in bringing about physical adjustments in land use that will conserve

soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection activities in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

The committee has provided \$82,322,000 for the coming year, an increase of \$1,250,000 in the budget estimate and an increase of \$1,760,400 over the appropriation for fiscal year 1959, for conservation operations.

It is estimated that 30 new districts will be organized during the present fiscal year and that an additional 25 districts will be formed during fiscal year 1960. As has been the case each year in recent years, no additional funds were included in the 1960 budget to cover the staffing of new districts during the coming fiscal year. Without such additional funds, the needs of the new districts would have to be met by the transfer of technicians from existing districts, which would spread existing personnel thinner.

The basic law guarantees the services of soil conservation experts to all districts, both new and existing ones. Therefore, the committee has provided additional funds for next year to assure adequate assistance to all of the 2,861 districts expected to be in existence by June 30, 1960, and to meet the needs in watershed and flood prevention work.

The bill carries \$25,500,000 for watershed protection and \$18 million for flood prevention, the amounts appropriated for fiscal year 1959. This represents an increase in the budget estimates of \$5½ million for watershed protection and \$3 million for flood prevention.

Testimony before the committee indicates that local interest continues to grow in the watershed program. During 1958 fiscal year 175 new applications for watershed project assistance were received from local sponsors, bringing to 887 the total received as of June 30, 1958. These applications cover over 69 million acres of watershed lands in 47 States and Territories. As of December 12, 1958, an additional 121 new applications have been received in the fiscal year 1959. It is estimated that a total of 1,337 project applications will be under consideration by June 30, 1960.

Watershed needs, judged by this willingness of local organizations to participate, far exceeds that of the Great Plains program, for which a budget increase was requested. Therefore, funds for watershed projects have been restored by the committee to the 1959 level. It is the intention of the committee that planning funds be restored in full also.

For the Great Plains conservation program, the accompanying bill includes \$7½ million for the coming fiscal year. This is a decrease of \$5 million in the budget estimate and is a decrease of \$2½ million below the appropriation for fiscal year 1959.

The participation in this program has not been as large as originally projected by the Department. In fiscal year 1958, only \$5,636,148 was obligated for this

purpose, leaving an unused balance of over \$4 million available for fiscal year 1959, in addition to the 1959 appropriation of \$10 million. As of March 31, 1959, only \$7,095,531 of the \$14,373,853 available for 1959 had been committed. At this rate of obligation, a large carry-over balance of funds will be available in fiscal year 1960 in addition to the new appropriation of \$7,500,000 included in the bill. Thus, between \$10 million and \$12,500,000 will probably be available in 1960 for this program.

AGRICULTURAL CONSERVATION PROGRAM

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by water and wind, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost-sharing assistance to individual farmers and ranchers for carrying out approved soil building and soil and water conserving practices on their farms. The Federal assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost—50 percent on the average—and in addition supplies the labor necessary to carry out the practice.

An appropriation of \$241,500,000, the full budget estimate, is recommended for fiscal year 1960 to meet the commitments for cost-sharing practices applied throughout the country under the 1959 program authorization of \$250 million. The amount recommended is estimated to be the full amount needed to meet the commitments due under the 1959 program.

In addition, the committee recommends an advance program authorization of \$250 million for 1960. The budget proposed to reduce this authorization to \$100 million for 1960, a reduction of \$150 million in the amount which has been carried in the bill each year for a number of years. This is the fourth time since 1953 that a substantial cut of this nature has been proposed by the budget.

The committee received a large amount of testimony again this year from "dirt farmers," Members of Congress, representatives of farm organizations, and others, in support of this program. This testimony, which appears in part 4 of this year's hearings, contains convincing evidence as to the real value of this program to the farmer and to the entire Nation.

Approximately 1¼ million farmers participate in this program each year. This is about 25 percent of all farming units in the Nation. In comparison, there are less than 125,000 participants in the conservation reserve program—soil bank—for which the budget proposes an advance program authorization of \$375 million for 1960.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service aids in advancing the orderly and efficient marketing and the effective distribution of products from the Nation's farms. The domestic marketing and distribution functions of the Department are centered in this Service. The Administrator is also responsible for the coordination of all statistical work of

the Department. The functions of the Service include the following: marketing research; analyses of economic data; crop and livestock estimates; market news services; inspection, grading, classing, and standardization of farm products; freight rate services; regulatory activities; cooperative programs in marketing; the school lunch program; removal of surplus agricultural commodities; and marketing agreements and orders.

An appropriation of \$39,907,100 is proposed for 1960, including \$15,044,500 for marketing research and agricultural estimates and \$24,862,600 for marketing services. The amounts recommended are \$1,990,400 over the 1959 appropriation and are a reduction of \$2,152,900 in the budget estimates.

A reduction of \$294,600 has been made in the marketing research activities of this organization. While the consumer preference studies have been of value in the past, the committee feels that this work should be suspended for the coming year to provide funds for what appear to be more urgent needs elsewhere.

The increase provided for marketing services includes \$45,000 to cover higher rates approved by the Federal Communications Commission for leased teletype facilities for market news services, \$2 million to provide service under the Poultry Products Inspection Act on a full year basis, \$250,000 for administration of the Packers and Stockyards Act, less a deduction of \$33,967 for leasing costs transferred to the General Services Administration. The amount approved also includes \$24,000 for various special needs which were brought to the committee's attention during the hearings.

Mandatory poultry inspection was initiated on May 1, 1958. As of March 19, 1959, a total of 472 plants were receiving inspection service under the act. It is estimated that a total of about 650 eviscerating and slaughtering plants will be qualified for such service by June 30, 1959. An appropriation of \$6,500,000 was made for 1959 for this activity. The increase provided for fiscal year 1960 will provide funds for placing inspection on a full-year basis in all eviscerating plants and should enable the Department to carry on this work at a satisfactory level during the coming year.

Changes in the Packers and Stockyards Act adopted in the last session of Congress brought all livestock transactions in interstate commerce, regardless of the size of the market, under the supervision of the Department. This has increased the number of yards subject to the Act from about 1,000 to an estimated 2,100. In order to enable the Department to meet this added responsibility, the increase of \$250,000 is provided for next year.

For payments to States, Territories, and possessions, the full budget estimate of \$1,160,000 is included in the bill for 1960. This is the same amount as was provided for fiscal year 1959. Payments under this appropriation are made on a matched-fund basis to State and territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

The school lunch program provided noonday meals to about 30 percent of the Nation's 39 million schoolchildren in the fiscal year 1958. Peak participation was 11.5 million children in 1958, an increase of 8 percent over 1957.

This program utilized 3.5 billion pounds of food, of which 3.2 billion pounds were purchased in local markets and 0.3 billion pounds were donated by the Department. A total of over \$853 million was spent through this program in 1958, \$240 million from Federal sources and the balance from State and local sources.

For the fiscal year 1959, the Congress appropriated \$110 million for this program. In addition, it provided for the transfer of \$35 million from section 32 funds to section 6 of the school lunch program to be used to purchase foods needed for school lunches.

The committee was not all satisfied with the Department's handling of purchases under the transfer arrangement. It was intended that these funds would be used to provide high protein foods, principally red meats, to supplement the foods otherwise used in the program. While a considerable quantity of turkeys was provided to the schools from this money, it was not until late in the year that a pork purchase program was undertaken. And no beef was ever provided from this source.

The most unfortunate aspect of this failure to provide the red meats as expected was that most of the schools had arranged their annual operating budgets and set their meal prices last fall with full expectations of receiving this additional food assistance. Many of the schools have been faced with deficits during the year as a result.

In order to prevent this situation from developing in the coming year, the committee has provided for the direct distribution to the schools of the entire amount of the transfer from section 32, to be used for the purchase of necessary food items.

The committee has provided an appropriation of \$110 million in the 1960 bill, the same amount as was appropriated for fiscal year 1959. In addition, it has included language which will transfer to the program the estimated unused balance of section 32 funds for 1959 of \$43,657,248. This will provide a total of \$153,657,248 for school lunches in the coming fiscal year.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service develops plans and policies related to the administration of the foreign affairs and interests of U.S. agriculture. It gathers, analyzes, and disseminates to American agriculture basic information on foreign marketing of U.S. agricultural products. It coordinates and directs a worldwide agricultural attaché service with particular emphasis on the development of markets for American products and on trade reporting from foreign areas designed to aid the American farmers and exporters.

The budget estimate provides a total of \$7,421,300 for the operation of this activity during the coming year. Of this amount, \$4,268,300 is requested as a direct appropriation and \$2,593,000 is

requested as a transfer from section 32 funds. In addition, the use of \$560,000 in foreign currencies derived from sales under Public Law 480 is proposed.

The committee recommends total funds for fiscal year 1960 of \$7,321,300. Of this amount, \$3,518,300 is provided by direct appropriation, \$2,493,000 is provided by transfer from section 32, and \$1,310,000 is provided from Public Law 480 local currencies. Since local currencies are now available in large amounts, the committee feels that they should be used for a greater part of the expenses of the Foreign Agricultural Service operations than heretofore.

COMMODITY EXCHANGE AUTHORITY

The objectives of this Agency are to prevent commodity price manipulations and market corners; prevent dissemination of false and misleading crop and market information; protect hedgers and other users of the commodity futures markets; insure the benefits of membership privileges on contract markets to cooperative associations; insure trust-fund treatment of margin moneys and equities of hedgers and other traders; and provide information to the public regarding trading operations and contract markets.

The bill carries an appropriation of \$909,500 for fiscal year 1960. This is an increase of \$16,300 over 1959 funds and is \$9,500 more than was requested in the budget. The amount recommended is based on the regular 1959 appropriation of \$832,000, plus \$77,500 to cover the full cost of the pay act increases approved last year.

The Committee does not feel that this organization should be required to absorb the cost of its salary increases, due to the small number of personnel and the essential nature of its work. Also, this Agency has been very economically operated throughout the years, with a steadily decreasing number of employees, despite constantly increasing demands on its personnel.

SOIL BANK PROGRAMS

The Soil Bank Act authorized an acreage reserve program and a conservation reserve program to assist farmers to divert cropland from the production of excessive supplies of agricultural commodities, and to carry out a program of soil, water, forest, and wildlife conservation. In 1956 and 1957, the programs were financed from funds of the Commodity Credit Corporation pursuant to section 120 of the Soil Bank Act, which authorized the Secretary to utilize the facilities, services, authorities, and funds of the Corporation in carrying out the act from its enactment through June 30, 1957. Since fiscal year 1958, the programs have been financed by direct appropriations.

The acreage reserve program was discontinued after the 1958 crop year. Final liquidation of the program will be carried out in the fiscal year 1960. This will involve handling of violations of agreements, adjustment of payments, claims, preparation of records of individual payments, and other liquidation activities.

An appropriation of \$310 million is provided to pay off obligations under the

1959 conservation reserve and to meet operating expenses of that program. For the 1960 crop year, the Committee recommends an advance authorization of \$325 million. Both amounts recommended are \$50 million less than proposed in the budget.

The record of the soil bank programs raises many serious questions as to the advisability of continuation of the conservation reserve program. Hearings of this committee have been filled with examples of the weaknesses of this program and the abuses to which it is subject by its very nature. The hearings this year include further examples of the waste and inefficiencies which are inherent in the program.

The testimony presented this year also raises a fundamental question as to the real purpose of the conservation reserve program. The Assistant Secretary in charge stated during the hearings that the "primary purpose of the program is to divert cropland from production of excessive supplies of agricultural commodities." In view of the fact that the acreage reserve program did not prove effective in reducing production and was discontinued upon recommendations of the President and the Secretary, it is difficult to understand how the conservation reserve in its present form can be expected to accomplish this purpose.

Since the primary justification for continuation of the conservation reserve is to reduce production, the committee has included language in the bill which will require that payments for land retirement be based on the value of actual production reduced.

The conservation reserve may have some value as a conservation program, since one of its objectives is to put cover crops on land retired from production and place it in a standby reserve. In the opinion of a majority of the members of the subcommittee, however, this conservation objective can be handled in a much more effective way through the other soil conservation programs of the Department, particularly the agricultural conservation program, commonly referred to as ACP.

During the hearings, it was estimated that the conservation reserve program will cost between \$2.5 and \$3 billion during the 15-year period provided by the present Soil Bank Act. If extended another 3 years, as recommended by the President, it will cost another \$1.5 to \$2 billion. This is a total possible cost to the taxpayer of between \$4 and \$5 billion. In view of the potential size of the commitments which can be made under this long-range program, the committee has included language in the bill to limit contracts to a period of 5 years. It is hoped that such a provision may help to hold down this tremendous expenditure in future years.

COMMODITY STABILIZATION SERVICE

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the acreage allotment and marketing quota program, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

For acreage allotments and marketing quotas, the full budget estimate of \$39,135,000 is included in the bill for the fiscal year 1960. This is a reduction of \$580,000 below funds provided for 1959.

The amount recommended includes a decrease of \$3,315,000, due to termination of corn acreage allotments under legislation adopted last year. It also includes an additional \$2,735,000 to provide a 10 percent salary increase for Agricultural Stabilization and Conservation County Committee employees, effective July 1, 1959. Under existing law, these employees are not under the classified civil service, and therefore were not covered by the salary increase provided other Federal employees last year. It would require legislation to include them, which is not within the jurisdiction of this committee.

The committee recommends the full budget estimate of \$71,500,000, a decrease of \$4,500,000 below the 1959 appropriation, for the Sugar Act program.

Payments are made to domestic producers of sugar beets and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the continental United States for direct consumption.

During the period 1938-58, collections have exceeded program payments by \$388,095,480.

FEDERAL CROP INSURANCE CORPORATION

Crop insurance offered to agricultural producers provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The bill carries the full budget estimate of \$6,376,700 for operating and administrative costs of this program for fiscal year 1960. This is the same amount as was provided for fiscal year 1959. In addition, authority is provided for the Corporation to spend \$2,330,000 from its premium income for such costs.

The program is operating in 830 counties in 1959 and is expected to expand to 857 during fiscal year 1960. The budgeted program for 1960 contemplates 400,000 crops insured, compared to 380,000 for 1959.

The committee is glad to note that this program, which is still on an experimental basis, is operating satisfactorily. Due to good weather and good crop experience in 1958, premium income exceeded indemnities by nearly \$13.5 million. As a result, for the 10-year period 1948 to 1958 the accumulated surplus is \$2 million.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive order in 1935 to make loans for the extension of central station electric service to unserved rural people. The Agency was continued by the Rural Electrification Act of 1936 and became a part of the Department of Agriculture in 1939. In 1949, the act was amended to authorize REA to make loans for the purpose of

furnishing and improving telephone service to rural areas. Loans for construction of electric and telephone facilities are self liquidating within a period of not to exceed 35 years, including interest.

The 1960 budget proposed \$136 million for rural electrification loans and \$79 million for rural telephone loans. In addition, the budget provided a contingency fund of \$25 million for each program.

The committee recommends the full budget request for both programs. As compared with loan authorizations for 1959, this is a decrease of \$181 million for electrification loans and an increase of \$11,500,000 for rural telephone loans. The decrease for the electrification program is made possible by an estimated carryover of \$107,350,637 of unused funds from fiscal year 1959, plus about \$2 million in rescissions of prior loans during fiscal year 1960. The amount included in the bill, plus the carryover balance and rescissions will cover a \$245 million program in fiscal year 1960. This is the same size program as carried out in 1958 and is only slightly smaller than the 1959 loan program.

The committee was requested by representatives of the telephone cooperatives to earmark \$35 million of the telephone loan funds for the use of the cooperatives. A separate amount has not been set aside for this purpose in the 1960 bill, due to assurances received that no action will be taken by the Department which would disapprove any loans to cooperatives which have the approval of the Administrator.

While the REA program has extended electric service to about 95 percent of all rural America, the need for loans to enlarge the carrying capacity of existing facilities and to meet a more widely dispersed rural population requires continuation of available loan funds. The REA has an enviable repayment record, in that repayments to date, including interest, exceed 100 percent of amounts due.

In 1959 collections on all loans will total about \$154.1 million. It is estimated that collections in 1960 will be nearly \$168.7 million. In a few years collections should equal the amount of new loans authorized each year.

For administrative expenses of the REA program, the committee recommends the full budget estimate of \$9,632,000 for fiscal year 1960. This is an increase of \$61,300 over 1959, which amount is provided to cover the full amount requested to cover salary increases authorized in the last session.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration performs the following six major activities: First, makes direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers and other individuals for the purchase, enlargement or development of family type farms; second, makes production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; third, makes direct and in-

sured soil and water conservation loans for the development and utilization of water supplies and for the improvement of farmlands by soil and water conserving facilities and practices; fourth, makes emergency loans to farmers and stockmen in designated areas where disaster has caused need for agricultural credit not readily available from other sources; fifth, makes farm housing loans for construction, improvement, alteration, repair or replacement of dwellings and other farm buildings; and sixth, makes watershed loans to local organizations for installing, repairing or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs of watershed projects. Technical guidance in planning and carrying out sound farm operations is provided farmers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

For the lending programs of the Farmers Home Administration for fiscal year 1960, the bill includes a total loan authorization of \$206 million. This authorization includes \$24 million for farm ownership loans, \$180 million for farm operation (production and subsistence) loans, and \$2 million for soil and water conservation loans. In addition, the bill provides a \$20 million contingency authorization for the two major programs.

The budget decrease for farm ownership loans was based on the expected increased use of the insured loan program in 1960. In the past, however, the insured loan program has not provided sufficient funds to meet the need. The committee has restored the 1959 level of funds for this purpose to make certain that sufficient funds are available in the event private funds are not provided.

The committee has not gone along with the proposed decrease in funds for production and subsistence loans. The total loans for this purpose in 1958 were \$176 million, and it is estimated that \$180 million will be used in 1959. In view of the difficult problem facing most farmers during this period of declining net income, the committee does not feel that a cut in these loan funds is advisable at this time.

There has been a substantially reduced demand for soil and water conservation loans, apparently due to the more adequate rainfall in many areas of the country in recent years. Accordingly, the committee has agreed to most of the reduction for this type of loan recommend in the 1960 budget.

It is pointed out again that these funds are not appropriations but are authorizations to borrow from the Treasury, with repayment of principal and interest due from the borrower. Total collections in 1959 are estimated to be over \$216 million. For 1960, the estimate is \$231 million, which will exceed the loan authorizations recommended in the 1960 bill by \$25 million.

The committee has approved \$30,300,000 for the administrative costs of this agency for fiscal year 1960. This is \$778,950 less than appropriated for fiscal year 1959 and is a reduction of \$1 million in the budget estimate.

Due to improved crop conditions in the past several years, the disaster loan work of this organization has decreased, particularly in the Southwest and middle Great Plains States. Disaster loans have decreased from \$63.5 million in 1958 to an estimated \$58.5 million in 1959 and an estimated \$49 million in 1960. Accordingly, the committee has made a small reduction in administrative expenses.

OFFICE OF THE GENERAL COUNSEL

This Office performs all legal work arising from the activities of the Department. The General Counsel represents the Department in many administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities. He serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

An appropriation of \$3,115,300 is recommended for the coming year for this office. This is a reduction of \$93,450 below the 1959 appropriation, and is \$195,200 less than the budget estimate.

The justifications presented to the committee indicate that this office expects to receive transfers from other agencies of the Department during fiscal year 1960 of \$195,200. A budget reduction in this amount is recommended, therefore.

OFFICE OF THE SECRETARY

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, the Office of Hearing Examiners, the Office of Administrative Management, and the National Agricultural Advisory Commission.

The committee has included the full budget estimate of \$2,881,000 in the bill for fiscal year 1960. This is an increase of \$20,750 over 1959. The increase is provided to cover the full amount requested in the budget to cover pay act increases.

OFFICE OF INFORMATION

The Office of Information has general direction and supervision over all publications and other information activities of the Department. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications. It handles the distribution of farm bulletins and requests for information received in the Department. It also produces motion pictures, chart and graphic materials and photographic work for the Department and other Government agencies through reimbursement.

For fiscal year 1960, the committee recommends the full budget estimate of \$1,431,665 for this program. This is an

increase of \$5,900 over 1959, due to the inclusion of the full budget estimate for salary increases.

LIBRARY

The library procures and preserves all information concerning agriculture. Under the act establishing the Department of Agriculture, it serves as the National Agricultural Library.

An appropriation of \$900,000 is provided for this activity for fiscal year 1960. This is an increase of \$71,660 over the 1959 funds, and is \$32,600 less than the 1960 estimate.

The increase is recommended to enable the Department to conduct an intensive review of the library collection to eliminate unnecessary material and to provide for preservation of valuable agricultural publications. This work is essential if the library is to meet the demands made upon it by research and other scientific personnel of the Department.

FARM CREDIT ADMINISTRATION

The Farm Credit Administration provides supervision, examination, facilities and services to the coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was reestablished as an independent agency by the Farm Credit Act of 1953.

The bill includes an administrative expense limitation of \$2,125,000 for the Farm Credit Administration. This is the same amount as was authorized for fiscal year 1959 and as was included in the 1960 budget.

The bill also includes language which authorizes expenditures necessary in the liquidation of the Federal Farm Mortgage Corporation and the sale of its mineral reservations. All Government capital has been repaid.

The administrative expenses of the intermediate credit banks are no longer subject to congressional limitation, as provided by the Farm Credit Act of 1956. Therefore, nothing is included in this bill for these institutions.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield myself 5 minutes.

(Mr. ANDERSEN of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. ANDERSEN of Minnesota. Mr. Chairman, in our preliminary discussion of this measure to appropriate funds for agriculture, I hope everyone will keep in mind two very important considerations.

The first is the obvious fact that our subcommittee has spent many, many days in hearings to develop all of the information necessary for fair judgment. We have had scores of witnesses before us and, believe me, we have made a searching inquiry into each and every one of the items before you in this bill. Because we do have complete confidence in the balances we have struck, we come before you as advocates of these items as being, in our judgment, the appropriate amounts to spend for the various activities.

In arriving at our combined decisions, some of us felt that additional adjust-

ments should have been made in a few items. However, the will of the majority has prevailed and I am personally giving my support to the bill as reported even though it must be clear to all that I, like other members of the subcommittee, have not in every instance had my way.

This bill, like all legislation, represents a compromise. It represents the group judgment of seven men who have literally lived with the agriculture budget in recent months. They are all able men and they represent a complete range of interests from consumers to producers of various commodities.

Our colleagues know and respect the older members of our subcommittee in years of service so I shall not take the time to toll their virtues. But perhaps it needs to be said that the two relatively new members—the gentleman from New York [Mr. SANTANGELO], who joined us in the last Congress, and the gentleman from Illinois [Mr. MICHEL], who joined us just this year—bring to our subcommittee not only great individual capacities but some new perspectives. They represent large consumer districts and one of the most rewarding experiences has been to see how eagerly they searched for knowledge of our great agricultural enterprise and how ready they were to see the producer's side of the question. I am sure they know now, as never before, the tremendous value to the consuming public of our national programs to be financed by this appropriation.

The other point to keep in mind is the fact that agricultural legislation is virtually deadlocked. We, in the farming communities of America, are on the horns of a dilemma from which we seem unable to remove ourselves. On the one hand we have as Secretary of Agriculture a man of otherwise great ability who is simply not in sympathy with our price support programs. On the other hand, when farmers look to Congress for help they find a house divided between political, commodity, and regional interests.

What the future will bring in the way of new legislation and new programs, nobody knows. It is, therefore, of vital importance to American agriculture, to farm people, to the food and fiber processing industries, and to the public as a whole that we properly and adequately finance the farm programs now in being. Things are bad enough in some sections of rural America without confounding the felony by failure to provide at least the minimum appropriations needed to effectuate our present laws and programs.

I personally commend this bill to you even though it is not entirely to my own liking. Every member of the subcommittee—and especially our very able chairman, the gentleman from Mississippi [Mr. WHITTEN] has given a full measure of time and attention to the job at hand even though this called for considerable personal sacrifice.

REVIEW OF MAJOR ITEMS

In previous years, Mr. Chairman, I have undertaken a general review of the contents of this bill. Since the provi-

sions of the measure before us have been very ably discussed by some of our colleagues on the Subcommittee, I will at this time confine my remarks to a few major items which bear emphasis.

SOIL BANK PROGRAMS

As our colleagues know, the soil bank authorization provided for two basic programs—the acreage reserve and the conservation reserve. By action of this subcommittee with the approval of Congress, we last year called for a termination of the acreage reserve and this year we have only one item and one program—the conservation reserve.

Although the entire soil bank program has failed to live up to my expectations—both from the standpoint of the provisions of law and the methods of administration—I still have confidence in the basic principles of such a program as first proposed to the Congress by the gentleman from Minnesota [Mr. MARSHALL] and myself. I also maintain that the type of program we initially suggested would be far more successful than the one we have, but I am realist enough to know that legislation is the result of compromise and the majority is as prone to make mistakes as the minority or even an individual. We must, therefore, take what we have and do the best we can with it.

There are some deficiencies in the present program. Some of these arise out of the basic law itself, and others have come about as the result of the manner in which the program has been administered. But from my experience here the last 21 years, I know of very few governmental programs one would call perfect and I see no good reason to castigate this fundamentally good program simply because it does not do all that we would like it to do.

It is the type of program, Mr. Chairman, that critics can shoot full of holes. Because it can be described as a program to pay farmers for not producing, critics of farm programs in general find ample opportunity to hold it up for public scorn. Because it is a program interpreted and administered by local committees all over the Nation, it is subject to varying methods of application and the occasional discrepancies can be dramatized in an effort to prove that the whole operation should be abandoned.

Because the law itself makes its benefits broadly available on a strictly voluntary basis, the small minority of property owners looking for opportunities to do so have been able to abuse its privileges. And the blessings of a good crop last year have given enemies of the soil bank production statistics with which they try to prove that the soil bank has not brought about any reduction in surplus production. In addition to all this, the Department's emphasis on taking whole farms out of production has had an adverse effect on local business economy and that has not been a good thing for rural America in my judgment.

With all of its faults and in spite of its rather apparent defects, the conservation reserve has still accomplished a tremendous amount of good for the money expended. Although the entire cost is charged to agriculture, this program is

proving to be of great value to nonfarm interests.

Look, for example, at the contribution that is being made to wildlife. I do not have the latest figures on this, but through 1957 we had about 6½ million acres in the conservation reserve. Some kind of cover was provided on all this land and any sportsman knows what that means to birds and other game. To break it down still further, through 1957, 2,264 acres had been put under water and marsh management for wildlife; 2,487 dams, pits, and ponds had been constructed; and 451 dams and ponds had been built especially for fish.

Project those figures to the approximately 23 million acres now in the conservation reserve and you can see what a tremendous boost this program has given to fish and wildlife programs and the great benefits for sportsmen.

Now, let us look briefly at the economics of this program because, after all, if it does not prove its economic value it does not prove anything.

Reliable estimates have been made of the cropland taken out of production and the commodities that would ordinarily have been produced on that land. This, in addition to the collateral conservation benefits, is the real purpose of the soil bank and the statistics show that an impressive job has been done.

Look, for example, at the productive land placed in the conservation reserve which would otherwise have added to our surplus production last year. The estimates show that almost 16 million acres of this land would have produced corn, wheat, oats, barley, soybeans, sorghums, and flax. Corn is a current problem of major proportions, and the figures show that 3,697,000 acres of corn land went into the soil bank which would otherwise have produced 142,671,000 bushels of corn we do not need. The Department of Agriculture estimates that these 16 million acres taken out of production would have produced approximately 452,763,000 bushels of grain—all of which would have been surplus to our needs and would, therefore, have passed into CCC hands at public expense.

On corn alone, with a round figure of \$1 a bushel support rate, would have cost the American taxpayers at least \$142,671,000 in price supports. Oats would have cost at least another \$75 million. In other words, we saved in price support costs alone somewhere in the neighborhood of half a billion dollars with a conservation reserve program which cost little more than half that amount.

And it must be kept in mind that the acquisition or price support cost is only the beginning of a far more complicated surplus problem. First, and foremost, is the price-depressing effect of surpluses. Secondly, and this is of prime importance when we are considering an appropriation for agriculture, we must take into account the ultimate costs to the taxpaying public.

According to the best estimate I can get, it costs at least 20 cents a bushel per year, on an average, to handle, move, and store grain acquired under price support operations. That being the case, in addition

to acquisition costs we have saved under the present conservation reserve program an annual cost of at least \$90 million to handle and store the surplus grain we did not produce.

In other words, Mr. Chairman, we spent about \$310 million on the conservation reserve in fiscal year 1959 and in so doing we not only prevented the production of additional price-depressing surpluses but we also saved American taxpayers about \$600 million in price support, handling, and storage costs.

With all its faults and defects, which must be expected in any new program, the conservation reserve still deserves a large measure of credit for its accomplishments. In spite of its shortcomings, we have saved two dollars for every one we spent, and I say it makes mighty good sense to carry this program forward and make improvements as we go instead of losing sight of its value to the Nation and concentrating as some do on its faults.

I am frankly disappointed in the amount of money made available in our bill for the conservation reserve next year. I believe a good case can be made for a further development of the program and hope the Congress ultimately sees the wisdom of that.

In our committee report we have made certain recommendations to the Department for improvements in the program next year, and in addition to that I am pleased to note that the Department itself has taken steps to close some of the gaps and loopholes.

SOIL AND WATER CONSERVATION

I want also to speak specifically about the appropriations items for soil and water conservation. Soil and water conservation is recognized today as a necessary part of efficient and profitable farming. In addition, the benefits from soil and water conservation are shared by the 88 percent of the Nation's population who live in the towns and cities.

When our soil is gone, the source of food supply for everybody is gone. Taking care of our soil resources is one job that must always have a top priority in the public interest.

This is work that must go on for the good of the people in the future. There are only two items in this entire appropriation bill that will have anything to do with the people living 40 or 50 years from now. Those items are basic research and soil conservation. The work provided for in the soil conservation items will actually affect the lives and the work of people 50 years from now.

The estimates of population 50 years from now indicate that our people will double in number by that time. The smallest estimate is 300 million population. The maximum estimate is about 440 million. The median estimate is about 370 million population for the United States in the year 2010.

These multitudes of people will depend on the same land for their food and shelter as we are using in agricultural production today. It is our responsibility today to help the farmers who are managing this land to do it in such a manner that it will still be capable of producing food for our grandchildren.

The first item I want to call to your attention is the budget item for the Soil Conservation Service for conservation operations. This item is the one under which the Soil Conservation Service provides technical help to farmers through soil conservation districts. There are 2,806 soil conservation districts in the United States. They have a combined acreage of more than 1.6 billion acres. There are 1,800,000 farmers cooperating with their local districts in doing soil and water conservation work.

The soil conservation districts are serving as the focal point of leadership for soil and water conservation. Assistance to the districts is not limited to governmental agencies as a large number of nongovernmental organizations are helping, too. Newspapers, radio stations, magazines, banks, merchants, farm equipment, seed and fertilizer industries, insurance companies, power, utility, and oil companies, railroads, airlines, drainage and irrigation companies, contractors, small business of all sorts, service clubs, sportsmen's clubs, wildlife organizations, youth groups, schools, churches, and many others are helping districts with their programs.

The soil conservation districts have emerged as one of the most effective governmental mechanisms ever devised for getting the soil and water conservation job done.

This appropriation bill provides \$82,322,000 for technical help in soil conservation districts for the next fiscal year. That is only a slight increase of a little over \$1 million more than we appropriated for this work last year.

These additional funds are essential to furnish technical staff to some 25 new districts which will be organized next year and to meet the increased cost of doing business in the 2,800 old districts. This is a very modest increase. And I know many of my colleagues on both sides of the aisle are aware that most of these districts need more technical help. The farmers are asking for it. They have a backlog of conservation work that needs to be done.

I personally would like to see this appropriation item substantially larger than the amount provided in the bill. The committee agreed that this is the absolute minimum essential for this work next year.

WATERSHED PROTECTION AND FLOOD PREVENTION

The other items I want to mention are watershed protection and flood prevention. Water problems throughout our Nation are becoming more and more pressing in many communities. We cannot afford to continue permitting water to run off of our farmlands into the rivers and on to the ocean. We need to capture more of the rainfall on the land where it falls and hold it there for use and to prevent floods.

The appropriation bill provides for \$25,500,000 for watershed protection and \$18 million for flood prevention. This is the same amount appropriated for this work last year. And here again, I think it is the absolute minimum amount with which this work can be carried on in 1960.

The funds for watershed work are for the purpose of helping people in local communities plan and carry out watershed protection projects. These are local projects that local communities want help on.

The committee is opposed to any limitation in watershed protection work that would prohibit local people from proceeding with their watershed projects in an orderly manner when they were ready.

We have added \$5,500,000 more for watershed protection work than was provided in the budget. The purpose of this increase, which only brings this appropriation to last year's level, is to make it possible for more local communities to get help in starting work on their watershed problems during the next year. The point I want to make clear here is that the increase in this appropriation item would make it possible to start more new watershed projects in 1960.

It is the intent of the committee that local watershed project sponsoring organizations, with help from Federal and State Governments, should proceed in an orderly manner with their watershed projects to the extent of total available funds. Under this appropriation item it would be anticipated that the Department of Agriculture would spend at least \$5 million of these funds on watershed planning. In view of the backlog of applications for watershed planning assistance and general interest of States and local communities in moving their programs forward, we believe that \$5 million is the minimum that should be devoted to watershed planning during the next year.

Soil Conservation Service officials testified before our committee that they had received 1,054 applications for assistance in watershed planning. Some 410 of these applicants are receiving help. That makes over 600 communities still waiting for help. We believe this appropriation item is the minimum that can be considered for watershed protection work.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Oklahoma who has demonstrated such a commendable interest in all of our farm programs.

Mr. EDMONDSON. I appreciate very much the remarks of the gentleman and the courage he always has shown in fighting for the farmers of the country. I would like to question him particularly about a program in which I know he has a longstanding interest. The bill provides that additional funds are made available for watershed protection and for flood prevention under the soil conservation service appropriation.

Mr. ANDERSEN of Minnesota. That is right.

Mr. EDMONDSON. It states that it is the intention of the committee that planning funds be restored in full.

Mr. ANDERSEN of Minnesota. Yes. That is the decided opinion of the committee.

Mr. EDMONDSON. I want to thank the committee for that recommendation

and to further seek from the committee an indication as to its feeling regarding those States that because of the great popularity of this program have appropriated from State treasuries to supplement the work of planning.

Is it the feeling of the committee that those States should be penalized in any way for their own initiative in making available State funds in helping to plan for these activities?

Mr. ANDERSEN of Minnesota. Certainly it is not the opinion of the subcommittee that any State should be penalized in any way for its desire to go ahead with its program. They, instead, should be commended and the Department should be prepared to accept such contributions as may be made available, as President Eisenhower has often said, this is a partnership program.

Mr. EDMONDSON. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Certainly we on the committee will not sit idly by and see this program hamstrung in any way. Why the very idea of doing away with new planning funds for next year would simply stultify this entire program, and I hope that whoever in the budget had that bright idea will seriously commune with himself and look very seriously at what we on the subcommittee did this year.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Ohio.

Mr. VANIK. I would like to inquire of the gentleman: I find no statement in the report or anything that tells me about the need for increasing the appropriation in the sum of \$46,749,000 for barter materials for the stockpile. Will the gentleman kindly tell me about that item in the appropriation bill?

Mr. ANDERSEN of Minnesota. I will yield to the gentleman from Minnesota [Mr. MARSHALL] who indicates that he would like to answer that.

Mr. MARSHALL. In this bill we reimburse the Commodity Credit Corporation for funds already spent. The item for future spending comes in another bill.

Mr. VANIK. It was my understanding that the stockpile was all loaded and that we had an adequate supply of material in the stockpile.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, I tried to make it clear at the outset that the bill gets us into this situation very frequently. So, what is in this bill is restoration to the corporation for what they have already spent. And, we find that throughout this bill, unfortunately.

Mr. VANIK. What assurances have we that this will not come in next year's appropriation bill?

Mr. WHITTEN. And sometimes we get a little criticism about that, but that is beyond our control.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Utah.

Mr. DIXON. Mr. Chairman, on page 5 of the report there is the statement that the Public Law 480 program at best

"is only an adjunct to our foreign aid program and does little to regain markets, increase use, or solve our basic problem in agriculture." It is true that this program has made an important contribution in furtherance of our foreign policy and foreign aid objectives. This fact, however, should not be permitted to obscure the very great contribution the program has made to our farm economy. The quantities of surplus commodities moved abroad under this program in addition to what could be moved commercially, has materially reduced the quantities which would otherwise have been taken over under the price support programs and stored at great cost to the taxpayer. These sales have been of direct assistance in maintaining prices to our farmers—and at considerably less cost than would have been incurred through price support acquisition.

All this is clearly illustrated in export statistics. Following the Korean conflict our agricultural exports dropped to a rate of about \$2.9 billion a year for 1952-53 and 1953-54. With the passage of Public Law 480 and the transfer of the Agricultural Attaché Service to the Department of Agriculture in 1954, a concentrated effort was begun to expand both our commercial dollar exports of agricultural products to countries able to buy commercially and exports under special programs to those countries in a position to consume greater quantities than they could buy for dollars.

In the period 1954-55 to 1958-59 our total exports of agricultural products have averaged more than \$3.8 billion a year, almost \$1 billion greater than the post Korea level. That only about one-third of this total has been under special Government programs such as Public Law 480, indicates that this concentrated effort to improve our export situation has not been merely an adjunct to the foreign aid program and that it is of direct benefit to the American farmer. The Public Law 480 sale program itself has served to maintain our commercial marketings through the program requirement that the receiving countries also take their normal amounts for dollars. The market development activities made possible by using a small amount of the foreign currencies received from Public Law 480 sales are beginning to show positive results. These activities are carried out in cooperation with private U.S. trade organizations which make substantial dollar contributions.

The committee destroys the enthusiasm for efforts to regain export markets when it states that this program does little to regain markets. The committee is wrong when it says that the program does little to increase use. The committee is misleading when it says that the program does little to solve our basic problem in agriculture because the program is not designed to solve the basic problem. The basic problem is created by the unfortunate price support legislation that is being continued by the Congress against the sensible recommendations of the administration.

The report states that the Department does not know the price at which

commodities sold under Public Law 480 are resold in the respective foreign countries. It is my understanding that the Department has gathered this information and will supply it to the subcommittee shortly. In this connection I want to call attention to the fact that the Congress provided that these exports be made through private trade channels and in all respects in a way that will encourage the use of normal commercial methods. Obviously when commodities move by commercial methods the resale prices of every unit are not expected to be recorded for Government review through each stage of sale until ultimate consumption. To do so would be a great waste of valuable accounting resources and of public funds.

I should like to ask the gentleman, and possibly the chairman of the committee, one or two questions, if that is permissible. I compliment the gentleman upon his remarks; also the committee upon the figures in this report and the conservative nature of this report. It is mighty refreshing. Further, there seems to me to be increased emphasis upon research, which I think is a wonderful thing, because that is one way to market our surpluses. We need to do more of it. The committee has put in \$100,000 for research for Peoria, Ill., for amylose corn. I was in great hopes to see amylose corn displace maybe 200 million bushels of regular corn.

Mr. ANDERSEN of Minnesota. I might say to the gentleman that we on the subcommittee are also very hopeful about the success of this particular research item. We visited personally the laboratory at Peoria, Ill., the home of our good Member, Mr. MICHEL. We saw there the beginning of what we think is very fine work and which might mean a lot to the corn producers in the future. Consequently, this year we are emphasizing that particular work and showing our appreciation of this type of research development.

Mr. DIXON. I compliment the gentleman. May I ask another question or two. I compliment the chairman on his fine outlook and also on the express intent to further our research labs for water and soil conservation. I think that it is wonderful for giving also \$100 million more to our research labs. Now may I ask this question: Do we still get \$10 million in the next budget for foreign currencies for foreign research on marketing and utilization?

Mr. WHITTEN. It is approximately that much. We have asked them that hereafter they give us a report in detail about the projects and feel, as I am sure the gentleman feels, that we will not prejudice results.

Mr. DIXON. The chairman will be interested to know that in India that has made a tremendous favorable impression, and the commissioner of agriculture was so appreciative about foreign research. It also will do much toward helping us sell more commodities over there. I certainly feel it is a wonderful step forward.

Mr. WHITTEN. I thank the gentleman for his reference to me. This is a field within which we should get results. They have many problems that we have

here in our country, for which research is needed, so it gives us a chance to really study those problems in the places where it is required. I think it really has been very helpful.

Mr. DIXON. May I ask another question, and it is the only negative one that I have. We have taken out about \$416,000 for the Foreign Agriculture Service. Those Foreign Agriculture attachés are really our sales people. I am wondering if we should have done that.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield to me to answer, we have not taken out any funds for the Foreign Agriculture Service. We have the generation of these tremendous amounts of foreign currencies which have to be used in those countries. In this bill we thought it sound to increase the amount of funds for the operations of our own people from that source so as to cut down the amount of cash dollars. In other words, it is a transfer from cash dollars to foreign currencies, which we could not bring back anyway. There is no effort to cut down the service at all.

Mr. DIXON. That is all the better. Mr. Chairman, I should like to thank the committee for the Sugar Research Laboratory, which is a wonderful contribution.

(Mr. DIXON (at the request of Mr. BALDWIN) was given permission to revise and extend his remarks.)

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Iowa who has for more than 20 years championed the cause of farm people and farm programs in the Congress.

Mr. JENSEN. Mr. Chairman, over the years I have found it easy to follow the recommendations of the chairman of this committee, the gentleman from Mississippi [Mr. WHITTEN], and the ranking minority member, the gentleman from Minnesota [Mr. ANDERSEN], and the other members because, in my opinion, they have been right at least 99 percent of the times. They have, as I have said before, a most difficult job to do.

I have a question to ask the gentleman from Minnesota. Would he tell me if anyone came before the committee this year and asked for more funds, above the amount which is requested in the budget for the REA?

Mr. ANDERSEN of Minnesota. To my recollection there were no such requests.

Mr. JENSEN. I notice that the budget called for \$181 million below the 1959 appropriations, but that the REA had a carryover of \$107 million.

Mr. ANDERSEN of Minnesota. That is correct.

Mr. JENSEN. So, in effect, the REA would have for the fiscal year 1960 a total amount to spend of \$79 million plus \$107 million or \$186 million for the fiscal year 1960.

Mr. ANDERSEN of Minnesota. I will answer the question by asking my fellow committee member, the gentleman from Minnesota, Mr. MARSHALL, is it not a fact that we feel that in this bill there is every dime that REA can possibly use in this coming fiscal year?

Mr. MARSHALL. The gentleman is entirely correct. The gentleman from Iowa [Mr. JENSEN] put his finger on it when he said that it was because of the carryover. Because of that carryover we feel that they are going to have ample funds to take care of their program for the coming year.

Mr. JENSEN. Mr. Chairman, I again want to commend the committee. We now understand that 95 percent of all the farms in America have electric power.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, there is another item in this agriculture bill which is of keen concern to the farmers of Oklahoma. That relates to the agricultural conservation program. It is my understanding that an effort will be made later in the day to reduce the advance authorizations for the agricultural conservation program. I wanted to advise the gentleman that when that recommendation of the Bureau of the Budget was made, I wrote to the 16 county committees in the district which I serve and asked them what the effect would be of the proposed 60 percent reduction. From every committee except two there came back the report that a reduction of the proposed amount would severely handicap or practically wreck the agricultural conservation program within their counties.

I certainly want to commend the committee for holding this figure at \$250 million for 1960, and I thank the gentleman for yielding.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from California.

Mr. BALDWIN. Mr. Chairman, I should like to congratulate the committee on the increased funds for watershed protection and flood prevention. I should like to ask a question in that connection. Am I to understand that the committee has made an increase which the committee feels will probably be adequate for the new watershed protection and flood prevention projects that will reach the point of actual construction during the fiscal year 1960?

Mr. ANDERSEN of Minnesota. We have given to this program exactly the same amount that was available in this fiscal year. I think it will take care of it very nicely.

Mr. BALDWIN. Mr. Chairman, I want to thank the committee for this.

(Mr. GUBSER (at the request of Mr. BALDWIN) was given permission to extend his remarks at this point in the RECORD.)

SELLING SURPLUS AGRICULTURE COMMODITIES THROUGH PUBLIC LAW 480

Mr. GUBSER. Mr. Chairman, the Agricultural Trade Development and Assistance Act of 1954, commonly referred to as Public Law 480, was enacted in July 1954. It was, and still is, a bold and comprehensive approach to the constructive use of the agricultural surpluses of the United States. It provides four

methods for moving farm products into world consumption.

The largest Public Law 480 program is under title I which provides for the sale of U.S. surpluses to friendly countries with payment to be received in local currency of the recipient country.

Title I promotes economic stability of U.S. agriculture while making the maximum efficient use of farm surpluses. It helps our foreign policy; it stimulates and expands foreign trade through private trade channels. Most importantly, however, it bridges the gap between U.S. agricultural abundance and the shortage of foreign exchange earnings in countries badly in need of food and fiber.

Since the beginning of the program through February 28, 1959, it has committed for export over \$3.4 billion worth of commodities, in terms of world market prices, without unfavorable effects on commodity prices or trade relations among free countries. More than 80 percent of the value of these commodities has already been exported.

Under this authority, 145 agreements with 38 countries have provided for the shipment of about 30 million metric tons of agricultural commodities. Included are the following quantities of important products: Eight hundred million bushels of wheat and wheat flour, 200 million bushels of feed grains, 3.5 million bales of cotton, 240 million pounds of dairy products, 3 billion pounds of fats and oils, 230 million pounds of tobacco, and 29 million bags of rice.

In negotiating the agreements, steps are taken to, first, safeguard usual marketings and prevent undue disruption of world prices of agricultural products; second, assure the maximum use of private trade channels; and third, increase the foreign consumption of U.S. agricultural commodities.

The foreign currencies received for title I sales are being used constructively over much of the world. The currencies pay many U.S. Embassy and other expenses, finance important educational and information programs, provide housing for dependents of military personnel, promote U.S. agricultural market development, finance economic development loans in less developed countries, and other uses.

Three types of agricultural market development programs are being carried out by the Department of Agriculture: First, cooperative agreements with trade and agricultural groups to maintain and expand markets; second, exhibits at international trade fairs—31 exhibits have reached about 18 million persons in 15 countries; and third, projects of agricultural utilization research in foreign scientific institutions leading to new uses of U.S. farm products.

Public Law 480 is our best agricultural program and should receive the support of this Congress.

Mr. ANDERSEN of Minnesota. Mr. Chairman, one further point in conclusion. I should like to call to the attention of the members of the committee the language on page 2 of the report. They will

see there an answer in some degree to this vilification of the entire price support program. I refer to the fourth paragraph.

The amount included in the bill for these four major categories of expense, which benefit every person in the Nation, is over \$2.2 billion.

This is approximately 56 percent of the total amount of appropriations carried in the bill for the fiscal year 1960. In other words, this is not simply a bill for the farmers. It is a bill for the entire economy and the entire population of the United States of America. If you will look at the report and read my extended remarks, you will find in the conservation reserve, for example, we have through that program contributed greatly to the fish and wildlife conservation effort in America by putting aside thousands of acres of land for the propagation and protection of wildlife. I hope in the future when we see any of these critical articles relative to what the farmer gets that we will stop and think about the school lunch program which benefits the schoolchildren of America, think about the school milk program, think about the inspection services, and think also of this research which looks far into the future and will mean that 50 years from now when we have 300 million people in this great country of ours there will be enough food to feed them. Our soil and water resources must be taken care of and we are taking care of that in this particular bill.

The CHAIRMAN. The gentleman from Minnesota has consumed 19 minutes.

Mr. MARSHALL. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, it has been a distinct honor to serve on the Subcommittee on Agriculture of the Appropriations Committee, and especially so when we are honored and privileged to serve with our distinguished chairman, the able gentleman from Mississippi [Mr. WHITTEN]. On this committee, Mr. Chairman, we have members who are interested in the welfare of the farmer. We have the distinguished gentleman from Minnesota [Mr. MARSHALL] and the distinguished gentleman from New York [Mr. SANTANGELO]. At this point, Mr. Chairman, I would like to say that from the great city of New York we have a gentleman who serves on the subcommittee for agricultural appropriations. A gentleman who understands as much as any Member of this Congress the problems of the consumer. The people who go to the marketplace and purchase the products that are placed there as a result of the efforts of our farmers. The gentleman from New York [Mr. SANTANGELO] serves on our subcommittee and is an outstanding member. We have, as you know, my good friend, the gentleman from Minnesota [Mr. ANDERSEN], one of the best friends that the American farmer has in this House. The same applies to no less degree, Mr. Chairman, to my good friend, the gentleman from Washington [Mr. HORAN], a very able Member of the House of Representatives and always a friend of the American farmer. We have

as a new member the gentleman from Illinois [Mr. MICHEL], an outstanding member of this committee. This is his first year and he is making a good member.

We are ably assisted by our executive secretary, Ross P. Pope, who has served with this subcommittee a number of years.

Agriculture is the largest single industry in the Nation. It is impossible to have a sound prosperity unless the farmer and agriculture generally receive an equitable share of the national income.

The difficulties confronting our farmer today pose grave problems which cannot be solved overnight. These problems can be made more difficult by neglect, indifference, or postponement.

The farmer is not receiving an equitable share of the benefits produced during this prosperity period through which we are passing. The farmer is 13 percent of the population and receives 6 percent of the income.

The bill before us today makes certain recommendations which are of great importance to all of the people in this country. Programs such as agricultural research and our control programs in plant, animal, and pest categories are provided for. In addition, we make recommendations for our Soil Conservation Service, Extension Service, and Agricultural Conservation Service. Provision is made for our Marketing Service and the school-lunch program. Services such as Foreign Agriculture Service and Soil Bank Service and Commodity Stabilization Service are also a part of this appropriations bill. REA and the rural telephone program comprise an important section of this bill.

EXTENSION SERVICE

Extension Service is a cooperative undertaking by the Federal, State, and local governments and is provided for under the Smith-Lever Act of 1914. This program is conducted in over 3,000 counties in our country. The County and Home Demonstration Agents are responsible for carrying sound information directly to our farm people. These men and women are qualified, dedicated people who are performing a great service to agriculture.

Our research division and educational agencies of the Department of Agriculture are today faced with requests for factual information and new technical and essential economic analysis. This information is not only for the farm people but is useful and in demand by the people who reside in the cities of this country. Constant inquiries are made concerning changes taking place in agriculture and changes which are likely to occur in the future. The American farmer wants to know the programs best suited for his resources which will produce a more constant income and improve living conditions. Present day problems concerning home economics and management of the home and its facilities are constantly up for solution. The earned income and expenditures, clothing and shelter, are all present day problems in which our farm family is

interested and are requests which are daily received by our Extension departments and agents throughout the country.

We have more need today in this country for our Future Homemaker Clubs, 4-H Clubs, and Future Farmers of America organizations than at any other time in the history of the United States. Here is where our extension agents can continue to produce results which will pay dividends in the future development of our rural economy.

For fiscal year 1959 we provided a \$3 million increase in payments to the States with over 90 percent of this increase budgeted for salary adjustments. Increases in State and county funds were also used for the same purpose. The increases made possible an average increase of almost 6 percent in extension salaries.

We have succeeded in raising extension salaries in Kentucky 11.4 percent since 1957. In 1957 Kentucky was 46th in the country and today we are 38th. In order to keep our extension agents in Kentucky, their salaries must be commensurate with their ability, education requirements, and services rendered. Our agents in Kentucky continue to serve more than 1,000 families each. Demands have never been as great nor the accomplishments more substantial. We recommend that the sum of \$64,123,222 be appropriated for extension service for fiscal year 1960. According to testimony presented to our committee the States and counties will increase their funds some \$4 million during the fiscal year 1960 and these funds will be used primarily to make needed salary adjustments and to pay for increased operating costs.

SOIL CONSERVATION SERVICE

Our Soil Conservation Service is one of the great achievements of our present-day government. This program means as much to my home State and to my section of the United States as to any other section in this country. Our Soil Conservation Program together with our Corps of Engineers' flood-control and navigation projects are producing results in Kentucky. For the first time in a number of years farms are no longer abandoned and migration out of the State has ceased.

In Kentucky there are 122 soil conservation districts in 120 counties. We have over 86,000 farmers participating in this program. All of the counties in the Second Congressional District have soil conservation districts. Our Soil Conservation Service has produced results and the people connected with this service are dedicated people.

Soil Conservation Service assists soil conservation districts and other cooperators in bringing about physical adjustments in land use that will conserve land resources and water uses. This Service further provides for agricultural production on a sustained basis and reduces damage by floods and sedimentation. The Soil Conservation Service also develops and carries out special watershed protection activities in cooperation with soil conservation districts and flood prevention. Drainage and irrigation are

also problems of the Soil Conservation Service.

We have 2,806 soil conservation districts in the United States, its Territories and possessions at the present time. These districts have a combined acreage of 1.6 billion acres with about 1.2 billion acres of same being agricultural land. It is estimated that 30 new districts will be organized during the fiscal year of 1959 and approximately 25 districts will be organized during fiscal year 1960.

Soil and water conservation is recognized throughout this country as a necessary part of efficient and profitable farming. It is rapidly becoming a matter of public welfare and concern. Conservation problems become more complex as population growth and technology brings about more intensive uses and competition for our land and water.

Soil and water conservation starts with landowners and operators, and it involves cooperation and teamwork among all the participants, and with our local, State, and National Governments. In order to be successful soil and water conservation must be economically feasible as well as technically right and physically sound. Productive land is essential to the well-being of our Nation and its people. Many nations do not have enough good land to furnish a high standard of living and certainly with our increases in population we must protect and conserve our good land.

For Soil Conservation Service we recommend the sum of \$133,397,000 for fiscal year 1960. \$82,322,000 of this amount is for conservation operations and \$25,500,000 is for watershed protection. We recommend \$18 million of the total amount for flood prevention and \$75,000 for water conservation and utilization projects. For our Great Plains conservation program which is a part of the total soil conservation recommendation we request \$7,500,000.

This is an increase of \$1,250,000 over the amount requested in the budget and an increase of \$1,760,400 over the amount appropriated for fiscal year 1959.

RURAL DEVELOPMENT PROGRAM

The rural development program now underway in 63 counties and 8 trade areas in 30 States is a nationwide effort to expand economic progress in rural areas. This program has three major objectives.

First. To help families that have the desire and ability to continue farming and to gain the necessary tools, land, and skills.

Second. To widen the range of our farm job opportunities.

Third. To help rural people to enjoy more opportunities for adequate training and improved health.

One of the most valuable benefits derived from this program is the community spirit developed through the combined efforts of our farmers, business and civic leaders and representatives of the different agencies and organizations working together as a team.

One of the main objectives of a rural development program is to improve the level of health in rural communities. In addition to improving health in our rural communities this program is tied in very

closely with small business. We all realize that prosperous, efficient small business firms in rural communities are as vital to a successful development program as improved farming and farm marketing.

Several of our rural communities in the rural development program have found a cure for their economic ills in their own forests and woodlands. With our population increases we know that there will be an expanding demand for wood products and that the future market outlook for this product is bound to be excellent.

Kentucky has more counties participating in the rural development program than any other State, with 25 counties grouped into three trade area programs. First, we have Ashland in the northeast and the second trade area section is Bowling Green in the southwest. The third trade area section is Glasgow in the south-central part of the State. We also have three demonstration counties in Kentucky—Butler, Metcalf, and Elliott. Our rural development program in Kentucky began in the year 1956 following the organization of a State committee. A staff group including representatives of our extension service, soil conservation service, vocational education, and department of economic development coordinates direction of the State program.

The rural development program in the three pilot counties in Kentucky has given our people renewed hope. Especially does this apply in Butler County which is located in the Second Congressional District.

The rural development program in Butler County has been partly responsible for many improvements such as establishment of a new health unit, an increase in rural employment, erection of new buildings in the main business section of Morgantown, a new post office building which is to be erected in the near future, construction of new homes, improvement of roads and schools and the erection of a building used as a meeting place for the rural development group.

The citizens of Butler County, Ky., are convinced that the rural development program is one of the soundest methods devised to gain long-range economic development and growth in our rural towns and communities. We must continue our rural development program and provide technical assistance in carrying this program forward in every low-income county in this country.

SCHOOL LUNCH PROGRAM

From 1947 to 1958 the number of children participating in the school lunch program in the United States increased from 3.5 million to 11.5 million which is an increase of 225.7 percent. Our school lunch program has made a vital contribution to the regulation of nutritional deficiencies. Every dollar spent in the school lunch program helps not only the farmers but also the food processor, the vendor, and the child.

In 1958 there were 667,736 children enrolled in the elementary and secondary schools in Kentucky; 303,067 participated in the school lunch program. In

other words, 45.4 percent of the schoolchildren were participants. The total number of elementary and secondary schools participating in Kentucky totaled 1,388.

One hundred million dollars was requested for fiscal year 1960. This is a \$10 million reduction in the amount appropriated for fiscal year 1959 and we request that the \$10 million be restored. In addition, we have included language in the bill which transfers to the school-lunch program an estimated unused balance of section 32 funds for fiscal year 1959 totaling \$43,657,248. These two amounts will provide a total of \$153,657,248 for our school lunch program for fiscal year 1960.

AGRICULTURAL CONSERVATION PROGRAM

This program makes the necessary provisions for restoring and improving soil fertility, reducing erosion caused by water and wind, and conserving water on the land. The Federal assistance represents approximately one-half of the total amount consumed in this program. Here we have a cost sharing with individual farmers and ranchers carrying on approved soil building and soil and water conservation practices on their farms.

Our committee recommends an advance program authorization of \$250 million for 1960 instead of the budget proposal of \$100 million. Since I have been a member of this committee the budget for several years has called for a substantial reduction in the advance program authorization, and each year we have recommended the full authorization of \$250 million.

This is one of the most important programs for the small farmer of America. One million two hundred and eight thousand farmers and 1,161,000 farms and ranches are served by our agriculture conservation program.

The full budget estimate of \$241,500,000 is recommended for fiscal year 1960 to meet the commitments for cost sharing practices applied throughout the country under the 1959 program authorization of \$250 million.

RURAL ELECTRIFICATION ADMINISTRATION

Twenty-four years of REA has brought about a revolutionary change in American farm life, and unless you have actually watched this momentous change take place you do not have any deep realization of just what it has meant to millions of American farms. Today about 95 percent of all farms are using electricity for a multitude of chores as well as for light and entertainment.

We recommend \$136 million for rural electrification loans and \$79 million for rural telephone loans. In addition, we recommend a contingency fund of \$25 million for each program. It is estimated that \$107,350,637 of unused funds for fiscal year 1959 will be carried over into the new fiscal year of 1960 in the REA program, and this amount, together with the loan authorization of \$136 million plus the \$25 million contingency fund, provides for a program for fiscal year 1960 in the total amount of \$245 million.

CONCLUSION

Mr. Chairman, we know that agriculture must prosper if the Nation is to

prosper, and our American farmer has the right to demand a standard of living in keeping with the contribution he makes to the national economy.

Our committee recommends this bill to the Members of the House.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I am delighted to yield to my friend from Minnesota, Mr. ANDERSEN.

Mr. ANDERSEN of Minnesota. I would like the RECORD to show that the gentleman from Kentucky [Mr. NATCHER], now addressing the Committee, was responsible for making a real record relative to the need for an increase in salary of the home demonstration workers and county extension agents. I do not believe there is a Member of this Congress who is better informed on the subject than the gentleman from Kentucky or a better friend of extension.

Mr. NATCHER. I thank the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I would like to ask that the gentleman from Washington [Mr. HORAN] may extend his remarks at this point in the RECORD. The gentleman from Washington unfortunately is unable to be here with us today.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. HORAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, some people seem to think that a farmer's main activity each day is to count his subsidy checks. Unfortunately, these misinformed or biased people do not observe the fact that farm hourly earnings for 1957 were only 69 cents per hour as compared to \$2.07 per hour for industrial workers. Nor do they see that during 1958 per capita farm income was only \$1,068 compared to nonfarm income of \$2,034. These same people also do not recall that during 1956 farm families on this Nation's 2,213,000 commercial farms received an average income of only \$5,415 while all nonfarm families received an income of \$6,900. The USDA budget is one of the chief targets of these misinformed people who portray the American farmer as an unworthy recipient of Federal treasure. We all know that this budget for fiscal 1959 was around \$7 billion, but we should keep in mind just what amount of that budget actually finds its way to our family sized farmer.

The Department of Agriculture recently published the realized cost of its programs devoted primarily for stabilization of farm prices and income. It may be surprising for some people to know that in 1958 this cost was \$2,665,700,000, almost \$5 billion less than the fiscal 1959 USDA budget.

Let us take a look then at some of the activities of this great Government agency, which in utter fairness cannot be charged to farmers as subsidies. Here are some of the USDA activities which are of mutual benefit to all citizens:

First of all, the Department of Agriculture is the largest regulatory body in the Federal Government, administering over 50 such acts of Congress. These acts protect the consumer in many diverse ways such as insuring clean, healthy meat through Federal inspection to assuring a stable supply of sugar at reasonable prices.

Second. The farm commodity export program costs around \$850 million a year or about one-sixth of the USDA appropriations. Every merchant seaman and shipping company should realize that a part of their income comes from USDA appropriations.

Third. About \$500 million annually goes for REA and FHA loans. This money is eventually repaid with interest and cannot be charged as a farm hand-out.

Fourth. USDA conducts a market research program of some \$28 million. This activity has already achieved new handling methods and is now saving the grain trade over \$1 million per year and has provided techniques which reduced food handling costs in Philadelphia alone by \$6 million per year. Every housewife should realize that many of the conveniences she enjoys in food handling today can be traced to research conducted through USDA.

Fifth. The brucellosis eradication program which costs around \$22 million annually is primarily devoted to public health protection.

Sixth. The International Wheat Agreement which costs around \$20 million per year aids farmers, but it also serves as a foreign policy tool and an aid to the grain trade.

Seventh. Under Public Law 480 we have disposed of over \$7.6 billion worth of agricultural products. Under title I alone we have sold over \$4.7 billion to friendly foreign countries. The funds generated by these sales have not gone to the American farmer, Mr. Chairman, they have been used as an arm of our foreign policy, but they are charged to the Agriculture budget. These foreign currencies are used to develop new markets, to purchase strategic materials, to procure military equipment and facilities, to finance the purchase of goods and services for other friendly countries, to promote balanced economic development among friendly nations through loans, to U.S. businessmen, to pay our obligations abroad, to provide loans to friendly nations for their own development, to finance international education exchanges, to pay for the cost of translating and distributing various types of United States and foreign books and magazines between our country and friendly nations, to pay for the purchase or rental of buildings and grounds used by the United States abroad, and to pay for cultural exchanges, trade fairs, and horticultural exhibits.

Eighth. About \$78 million a year is spent on providing milk for schoolchildren under the school milk program. Many city parents should also realize that the lunches their children receive at school are also charged in part to the farm program.

Ninth. The Armed Forces and veterans' hospitals consume substantial amounts of dairy products which are chargeable to the farm program.

Tenth. Soil and water conservation work is charged against farm costs. These programs are of long-range benefit to all our citizens.

Eleventh. Let us not forget also that there are 181 million acres of national forests, over an acre for every American. We are planting over 1 billion trees a year on eroded and tilled land. The cost of this program is charged to the farm program today, but very few of our farmers will ever live to harvest or enjoy a single tree. By the year 2000, however, it is estimated that there will be over 600 million recreational visits to these forests. Last year there were 68.5 million such visits.

While we are talking about subsidies, let us remember that subsidies are available to millions of Americans other than farmers and have been so since the beginning of our country.

Let us not forget that agricultural commodities are the consumers best buy. It takes only 1.2 hours of factory labor to buy 1 pound of beefsteak today as compared to 1929 when it took 2 hours of factory labor to purchase 1 pound. The same is true for other commodities.

Consumers—Quantities of foods purchased by 1 hour of factory labor

	In 1929	In 1958
Bread.....loaves.....	6.4	11.0
Steak.....pounds.....	1.2	2.0
Milk.....pints delivered.....	7.8	16.8
Butter.....pounds.....	1.0	2.9
Bacon.....do.....	1.3	2.7
Eggs.....dozen.....	1.1	3.5
Potatoes.....pounds.....	17.7	33.8
Oranges.....dozen.....	1.3	2.8

Source: Agricultural Marketing Service, U.S. Department of Agriculture.

There is no question, Mr. Chairman, that there are many problems in agriculture and that there are shortcomings and failures in various programs, but let us face these problems squarely and resolutely and not allow the American farmer to be submerged in politics, bias, and misinformation.

Before I conclude my remarks, I would like to make some reference to the overall conservation reserve program.

This conservation reserve of the soil bank is one of the programs being used throughout the country to reduce agricultural surpluses. While this is its primary purpose—that is, to divert land from the production of crops, the program also provides assistance to farmers in establishing and maintaining the required protective cover or other sound conservation practices on the land placed in the reserve.

The conservation reserve is a voluntary program, and the farmer may take part in it or not, just as he wishes. If he

decides to participate, he signs a contract to retire a specific acreage of cropland from production into protective conservation use for a set period of up to 10 years; he also agrees to comply with any acreage allotments applicable to crops on his farm and to reduce the total crop acreage on his farm by the amount of land placed in the reserve.

As the other party to the contract, the Federal Government agrees to make an annual rental payment for the land held out of production and to assist with the cost of establishing the conservation use on the reserved tract.

During the 1959 crop season, it is estimated that about 280,000 conservation reserve contracts will be in effect, covering about 23.2 million acres of cropland in all States except Alaska. This is about 5 percent of all U.S. cropland, as shown in the 1954 Census of Agriculture. Of the more than 23 million acres in the conservation reserve, around 13 million acres will be under contract for the first time in 1959; the rest is acreage which was placed in the program in earlier years and remains under contract.

The 1959 signup campaign in the fall of 1958 indicated that changes made on the basis of earlier experiences, chiefly higher rental payments per acre for the more productive land and greater incentives for whole-farm participation—are bringing more farmers and more good quality land into the program.

And, of course, the better the land, the greater its production potential. Land now in the conservation reserve would normally have been used to produce large quantities of farm commodities which would have swelled the existing piles of surplus crops. Of the acreage in the reserve this year, nearly 4 million acres were devoted to wheat; more than half a million acres were in cotton; and about 10 million acres were in other crops, and in hay. At normal yields, this acreage would have produced 143 million bushels of corn, 124 million bushels of wheat, more than 300,000 bales of cotton, nearly 6 million tons of hay, and many other crops on a large scale.

For many farmers, the Conservation Reserve has meant that they can bring about adjustments they have wanted to make for years, or it has meant that they can speed up adjustments that were already underway.

Some operators of large farms are using the program to reduce the size of their farming operations and the need for hired labor. Others are reducing the size of their farming operations or withdrawing from farming because of health, age, or other reasons.

About 20 percent of the farmers who took part in the program through 1958 have put all their cropland in the reserve, and indications are that about three-fourths of the land added in 1959 will be whole farms. A farmer who places all his cropland in the conservation reserve can continue to live on the farm, maintain a home garden, and use the permanent pasture and orchard land. At the same time, whole-farm participation removes the entire crop potential of the farm, including the al-

lotment-quota crops, since none of the cropland is left for more intensive farming.

As for the land itself, its future fertility is safeguarded through the establishment of protective conservation uses under the conservation reserve. Grass cover is the most popular protective use to which the conservation reserve land is devoted, especially in the Great Plains States. In this area, the program is stimulating the return to grass of vast areas of dryland devoted to the production of wheat under wartime needs. Before the program was available, many farmers in this area were unable to undertake the difficult and expensive operation to convert this land back to grass. But, once converted, much of this land will remain in grass after the expiration of the conservation reserve contracts.

In the Southeast, tree-planting ranks highest among the conservation uses of the program, and this is particularly true in South Carolina and Georgia. Tree-planting contracts are for the full 10-year period. When cropland goes out of production and is planted to trees, it is diverted permanently from crop production.

Practices designed especially for wildlife protection have also gained wide acceptance by participating farmers and have won the general approval of sportsmen and wildlife organizations.

Three years of experience with the conservation reserve program has shown that large numbers of farmers will participate in a voluntary program of this nature and that it can be highly effective in attacking many aspects of the farm problem.

Nearly twice as much cropland was offered for 1959 contracts as could be accepted within the funds available; owners of about 7 million acres who made applications to take part in the program were turned down because funds were inadequate. In fact, a bid-and-acceptance system had to be worked out to give priority to producers making the best offers.

Shall we disappoint large numbers of farmers again in 1960? Indications are that many new contracts can be signed in 1960 if the funds permit. I understand that the Department of Agriculture this year has more mail inquiries from landowners about participation in the Conservation Reserve than at any time since 1956—the previous high-participation year, when the program was just starting.

It is my considered opinion that the soil bank's conservation reserve program should be continued, and in fact, expanded, so that its benefits may extend to all farmers who seek to take part.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I would like to compliment the gentleman for this very fine effort on his part to tell the true story about appropriations for agriculture. The gentleman has always fought for the farmers of his and my area, and he is getting a little bit tired of hearing this propaganda as am I,

which is far from the facts, relative to what the farmers of America are today getting. I thank the gentleman.

Mr. HOEVEN. I appreciate the gentleman's remarks. I think we have all been at fault in not getting the farmer's story across to the consuming public. All too many people have the idea that farmers are the cause of the high price of food. Therefore, I thought it might be helpful to point out just what part of our agricultural expenditures should rightly and fairly be directly chargeable to the farmers and what part should be charged to all the people of this country.

Mr. MARSHALL. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SANTANGELO].

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, at the outset I wish to commend the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN] for his untiring work on this subcommittee and for the searching questions of the witnesses which have elicited information to educate a city member on this committee. I also want to commend the ranking minority member, the gentleman from Minnesota [Mr. ANDERSEN], who has taken a city boy in tow in the rural electrification program and tried to educate him among the hogs and the pigs and the cattle of this country. Likewise, I extend my thanks to the gentleman from Minnesota [Mr. MARSHALL] and the gentleman from Kentucky [Mr. NATCHER] for their assistance and help. I have gone from the streets of New York City into the farms and have a better understanding of the problem. I therefore come to you to talk about a farm bill and ask you to support it as I am supporting it. I support this bill because I believe it is to the interest of the farmer and to the consumer.

You know, there is a saying that you can take a boy away from the farm, but you cannot take the farm out of the boy. I would like to paraphrase that by saying, if you take a city boy and put him on a farm committee, you obtain an apologist for the farmer, who does not forget that he is interested in the consumer.

I would like to speak to the city folk who feel that there has been a giveaway to the farmers. Perhaps in the past there have been some programs which have been wasteful and did not accomplish the desired result. Perhaps there still are. But it is a minimum, as I see it.

This bill reduces the request of the budget to the tune of over \$142 million and yet does not take away those programs which are of interest and benefit to the farmer and to the consumer. I would like to point out, as has one of the other speakers, that of over \$4 billion which is in this bill directly benefits the farmer only to the extent of \$1,435,000,000 plus. Of this amount 50 percent or over is paid for transportation, for handling, for storage, and for the administration of this program. These are the direct benefits. However, there are benefits which are mixed, which benefit not only the farmer, but benefit the

friendly foreigner and benefit the people in the city.

For example, over \$2.2 billion is spent under four classifications which are mixed benefits. One is the improvement and protection of the public health, such as the inspection of meat and poultry, which is of importance to the people who eat these foodstuffs in the cities; the school lunch program and the special milk program, which go to many people on public assistance, and donations to needy folk.

A second classification is the improvement of international relations and in defense, such as donations to needy people abroad, emergency famine relief, sales for foreign currency, and the bartered materials for stockpiles.

A third classification of mixed benefits is the improvement of marketing systems, such as market inspections and freight rate services.

A fourth is the improvement and conservation of our national resources, such as flood prevention, agricultural conservation and technical assistance in conserving land under the soil conservation program.

These are mixed benefits, not only to the farmer, but to the city folk and also the foreigners who are friendly to us. One conclusion that I can draw from my activity on this subcommittee is that the welfare of the farmer is tied in with the welfare of the city folk. Our interests are intertwined. If the farmer suffers he loses the purchasing power which is so necessary to buy the machinery, the Frigidaires, the television sets, the electrical appliances, and also the clothing which we in the big cities in the East and in the West manufacture and have to furnish to them. If they do not have the funds to purchase these articles, we in the cities cannot sell our garments, we cannot sell our appliances, we cannot sell our machinery, so we suffer, also. It is a reciprocal situation. If we suffer, they are going to suffer, too.

We have looked about to find out the reason for the high prices to the consumer. I say that the fault lies not in the amount of money that the farmers are getting, but in the distribution of our surpluses, and the costs which are saddled on the price that the farmer gets. The farmer receives only 40 cents of the consumer dollar. Where does the rest of the money go? It goes in the cost of distribution, it goes in the cost of transportation. I take issue with the statement that we in the cities are buying more with our dollar. We are not. When you compare what 1 hour of factory labor can purchase today with what 1 hour of factory labor could buy years ago, I want you to recall that the comparison does not take into consideration the taxes that we have to pay. You do not take into consideration the fact that many people are not factory workers. We have our service trades and nonfactory workers who are suffering with the high level of consumer prices.

Mr. VANIK. Mr. Chairman, will the gentleman from New York yield?

Mr. SANTANGELO. I am pleased to yield to the gentleman.

Mr. VANIK. I note that in the appropriation bill it is provided that not less than \$350,000 shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer. Does the gentleman feel that this is a proper amount or should it be increased?

Mr. SANTANGELO. I can only say to my knowledge there have been studies by the legislative committee. They have made certain studies which, in my opinion, have not achieved tangible results. I have been questioning some of the representatives of the Department of Agriculture to see if we can pinpoint the responsibility for these runaway distribution costs. I am not satisfied that everything is being done to reduce the spread between the producer and the consumer. I do not think \$350,000 will accomplish it, but we will try to find out where the responsibility lies and how we can eliminate these big distribution costs between the producer and the consumer.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to our distinguished majority leader.

Mr. McCORMACK. I think the record should show that throughout the years Members from nonagricultural districts, Members from the city districts, like the district I represent and the district like the gentleman from New York represents, have always appreciated the importance of farmers and agriculture to the life of our country, and we have supported farm legislation. On many occasions, the so-called city vote—and I do not mean to imply that there is a bloc system of voting in the Congress, but merely for the purpose of reference—but as I was saying, on many occasions the so-called city vote has not only supported farm legislation, but on a number of occasions has actually saved farm legislation. In the next few days when legislation comes up that is of concern to the cities, we know, at least we hope, our friends from the agricultural areas will reciprocate and look upon that legislation with an understanding mind.

Mr. SANTANGELO. I thank the distinguished gentleman from Massachusetts, the majority leader.

Mr. Chairman, I importune my colleagues, the Members from the farm areas to look upon these matters dealing with our economy with the realization that Government is not a one-way street. We who represent the city districts have voted for appropriations for the farm groups because we have felt that it was necessary. We ask you to give us the same sympathetic understanding and consideration. Bills will be coming before you within the next week or two that are vital to the people in our communities. We ask you not to take a myopic or ostrichlike attitude and stick your head in the sand. Our people in the cities need better places in which to live. They do not have the sunlight and the green grass that your people on the farms have. The people I represent work in factories and walk on city streets. We urge you to cooperate with us to the same extent that we cooperate with you.

Mr. Chairman, I would like to say a word or two about the school-lunch program. That is one phase of our life where we in the cities can appreciate the benefits that we get as a result of these farm programs. This administration proposed to reduce the school-lunch program to the extent of \$10 million. We, on the committee, restored this \$10 million. We also provided that \$43 million should be transferred from section 32 funds for the purpose of giving to the children of the schools in the cities and in the rural communities the foods which are in abundance in this country. We also urge with reference to the question of distribution that the legislative committee consider the bill such as the bill introduced by the gentlewoman from Missouri [Mrs. SULLIVAN] the so-called food-stamp plan which can take care of 7 million needy people who are receiving public assistance in order to give them the nutrients and the food supplies so necessary to make them healthy and strong.

Our problem is a problem of distribution. Let us not forget the biblical lesson about the 7 years of plenty and the 7 years of want. If we do have plenty, let us distribute it. I went to Puerto Rico and saw the school-lunch program for the children there. I compared the situation that exists now with the situation of 5 years ago. I went with the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and we inspected the rural-electrification program. I want to commend the subcommittee for continuing such a program because I have seen the benefits being derived from that program in the hill country of Puerto Rico, and I have seen the benefits from that program throughout the United States.

Mr. VANIK. Mr. Chairman, will the gentleman yield further?

Mr. SANTANGELO. I yield.

Mr. VANIK. In glancing through the appropriation bill I see there is a prohibition as to the expenditure of any funds of the school-lunch program for nonfood items. There are many items that depend on the program and entirely depend on spending for nonfood items. Can the gentleman explain that prohibition?

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. MARSHALL. That is put in the bill in order to prevent the schools and so on from using these funds to buy equipment which is the responsibility of their school administration. So that this is tied down to food items. This is a provision which has been in the bill for a number of years in order to tie it down to the food requirements and furnishing food for the children.

Mr. VANIK. If that is the reasoning behind this, then it really is not a school lunch program bill, but a proposal to use up some of the surplus agricultural products of the country.

Mr. MARSHALL. When the school lunch program was first established, it was almost entirely with the thought of it being a program to help in disposing of the surplus commodities. However, since that time we have found that the surplus

commodities do not always supply an adequate diet from the nutritional standpoint and, therefore, we think now of the program in terms of being a program to provide a nutritious diet for our school children.

It seems to me that the position is a proper one, inasmuch as the funds which we supply for the Federal contribution for food, as the gentleman knows, has been surpassed by local and State contributions.

Mr. VANIK. Mr. Chairman, will the gentleman yield further?

Mr. SANTANGELO. I yield.

Mr. VANIK. In this connection has the appropriation for red meat been increased?

Mr. SANTANGELO. We have done one thing; we found quite a disinclination on the part of the administration to enter into the purchase of red meats on the theory that purchases by the Federal Government raised prices. So we suggested that \$43 million of the funds be allocated to localities so that they can purchase locally the red meats for their program, pork, beef, or whatever they desire and what is available in the community.

Mr. VANIK. I thank the gentleman from New York for the splendid work he has done in this matter.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. MARSHALL. I just want to clear up one point about which there may have been a little misunderstanding on the part of the gentleman. This prohibition does not put any limitation upon the locality or the State in the use of their own appropriated funds. And, Mr. Chairman, I would like to say to the gentleman from New York that he has given extremely valuable service on this committee. He has been a hard worker, he has been a diligent worker. He has made trips out into the country of this country to see how the programs operate. Our subcommittee has the greatest admiration for the integrity, the ability, and the industrious effort the gentleman from New York has shown.

Mr. SANTANGELO. I thank the gentleman from Minnesota.

This bill reduces the budget requests by \$142,199,365. Despite the criticisms I hear frequently to the effect that some of these price support programs and conservation reserve programs are giveaways, this bill is a good bill.

If the farmer suffers, the normal corollary is that the other segment of our population, the urbanite, suffers also. When I hear that the farmer gets only 40 percent of the consumer dollar, and our consumers are paying higher prices in the marketplace, I say that there is something radically wrong with our distribution system. When I see tremendous storehouses of wheat, grain, corn, and other farm commodities, I say our national policies of distribution and use are wrong. Despite price supports, farm income in the past several years has fallen from \$15 billion to \$11 billion. The consumer of America can benefit from the food stamp program which Congressmen and particularly Congress-

woman SULLIVAN has introduced. These food stamp programs can utilize much of our surpluses to give adequate and recent foods to our citizens receiving public assistance, whose most recent number exceeds 7 million. These surpluses can be used to feed our 39 million schoolchildren, 30 percent of whom are now receiving school lunches. These surpluses can be used as a weapon of our foreign policy to feed those in need in foreign countries.

Despite price supports on wheat, corn, and other basic commodities, the small farmer must rely in a large measure on his nonfarm income to obtain the necessities of life. Farm income is low, on a real basis or on a comparative basis. Farm income in the last 6 years has dropped from \$15.3 billion to \$11 billion. The consequences of low farm income manifest themselves in the exodus from farms, in the drop of small family farms, and the decline of farm employment to the extent of 1,374,000 workers. The number of farm unemployment is approximately 30 percent of the unemployment throughout the United States. These unemployed farmers swell not only the unemployment rolls in the rural areas, but the relief rolls in cities. We must therefore give aid to the farmers of our country. This bill is by no means perfect, but it is a step in the right direction, in a direction which will benefit the economy of the whole United States.

I want to discuss the school-lunch program which is of vital importance to schoolchildren in the cities and in the rural areas. This bill provides for an appropriation of \$110 million in cash payments and \$43 million obtained from a transfer of section 32 funds, which, as many of you know, are the funds which are derived from receipts from taxes on imports. This composite figure of \$153 million represents an increase of \$8 million over last year's appropriation, which is necessary to provide and take care of the 8-percent increase in our school population. Over 11 million children are participating in the school-lunch program. You may remember that initial Federal assistance for school-lunch programs which began in 1933 was started for three major reasons. First, to supplement relief feeding programs of the States and localities; second, to provide relief employment for the unemployed; and third, to assist in removing surplus agricultural commodities from the market. By 1946; when the school-lunch program became permanent, the relief aspects had disappeared and the objectives were broadened. At that time, school lunch became an accepted program, which, even in times of prosperity, had two very important objectives. One objective was to extend the market for agricultural food commodities.

The second and perhaps more important objective is to improve the health and well being of the Nation's children by providing them with a well-balanced lunch at school to help fill their daily nutritional requirements, and by developing proper and nutritionally beneficial food habits which will continue in later life. It is a sad commentary that 36 percent

of the men examined for military duty were turned down because of physical defects—largely the result of faulty nutrition.

In the past 25 years, there has been a tremendous expansion in school food services. In the immediate years ahead, there is likely to be further substantial expansion. By 1965, it is expected that 8 million more children will be attending elementary and secondary schools, pushing total enrollment to the almost unbelievable total of 47 million. As new schools are built and as old ones are modernized, more and more food facilities will be available to meet the growing demand for lunches at school.

We do not fully realize the influence the school lunch program has upon our economy and upon construction and expansion of schools. Only recently, I was told by the pastor of a church in my district that he was building a new school primarily to build lunchroom facilities in order to have his parochial school qualify for the school lunch program. The city of New York has on occasions decided to build a new school rather than modernizing an old one in order to provide lunchroom facilities for 1,250 schoolchildren. It was found on other occasions that where lunchroom facilities accommodated only 250 children in a 1,250 school population, the administration spent more time in feeding the children than in teaching. Consequently, to correct this defect, a larger lunchroom was built or a new wing constructed. How extensive this lunchroom influence has on construction throughout the country might prove informational. Since 52,000 schools are participating in this program and thousands of new schools are planning to participate, we can only conjecture as to the stimulus which the school lunch program has had on employment both in the construction and operation of these schools.

How does the school lunch program operate? Today, the national school lunch program furnishes cash payments and food items to schools by distributing commodities acquired under the National School Lunch Act through State distributing agencies. Under section 6, National School Lunch Act, commodities are purchased on the basis of their nutritional value and acceptability. Under section 32 of the Agricultural Adjustment Act, those commodities declared as surplus foods by the Department of Agriculture are purchased for donation to authorized outlets including all eligible school lunch programs. It seems to have been the administration's policy to decrease the amount of various surplus foods available for donation to the schools under section 32 and at the same time reduce the amount of money with which we supplement the surplus food in order to provide a well-balanced lunch. In 1958, the value of surplus food donations dropped to \$76 million from a record level of \$132 million in 1957. However, as you are aware, in the 1959 appropriation Congress transferred an additional \$35 million of section 32 funds to the school lunch account to make commodity purchases for the program. This transfer of \$35 million was in addition to

any surplus commodities donated to the program from Commodity Credit Corporation price support inventories. In addition, you are aware that the 85th Congress appropriated an additional \$10 million to the cash appropriation raising the total to \$110 million. This year we are recommending an appropriation of \$110 million cash, plus \$43 million from a transfer of section 32 funds. When we contemplate that this school lunch program is a joint venture among the Federal Government, the State government, and local communities with children also paying a large share, the figures spent on this program assume greater importance and a staggering significance. We know that the National Lunch Room Act requires that Federal cash assistance funds be matched from sources within the State at a rate of 3 to 1.

The act sets up requirements for qualification to participate and thereby receive food assistance and commodity donations to provide a well balanced and low-cost noonday lunch. There are three basic requirements:

First. The lunch program must be operated on a nonprofit basis.

Second. The meal served must meet specified nutritional standards.

Third. Those children unable to pay the full price of the lunch must be served free or at a reduced price.

The National School Lunch Act also brought State departments of education actively into the picture. It made them responsible for the supervision of the program in the individual schools—thereby encouraging the development of lunch programs as a part of the total educational program for children.

Twelve years of operation have demonstrated certain truths. It cannot be said or argued that Federal assistance in the program of school lunches resulted in Federal domination or control. Twelve years of experience has demonstrated that the Federal Government has been able to function cooperatively with State or local governments without control or conflict.

What about the quality of the lunch? When I attended high school in 1926, we had a lunchroom but no school-lunch program. Many of you people shared the similar experiences. My lunch was obtained at home under the administration of a mother who had experience in raising 10 children. You can see from my 210 pounds that I became physically prosperous. I am no advertisement for the school lunch program. However, other children were not so fortunate. On occasions, when I was left to my own resources and 50 cents, my lunch consisted of a hot dog and orangeade at the corner Nedicks store or popular drugstore counter. No method, no planning, no thought or reference to nutrition or vitamins.

Contrast the lunch of the child who is fortunate to be a participant in a school lunch program. His lunch is patterned to provide nutritional foods with a balanced program. This is the very heart of the program.

Unless the daily lunch is based on sound nutritional guidelines, we cannot

expect the child to develop sound food habits. We cannot expect the use of standard menus for local food habits, and local food supplies must be taken into consideration. We do not expect everyone to like spaghetti, mozzarella, or pizza pie.

Recognizing that there is no accounting for tastes, and we should not dispute about one's tastes, the Department of Agriculture developed a type A lunch. The type A lunch requires as a minimum the service of 2 ounces of a protein-rich food—that is, of meat, poultry, eggs, fish, dried beans, and peanut butter. It requires three quarters of a cup of fruits and vegetables, bread and butter or margarine, and one-half pint of whole milk as a beverage. As a result of the type A pattern lunch, we guard the nutritional quality of school lunch and, at the same time, the individual school can take into account local food preferences and good food buys in the local market.

These foods, in type A plate lunch, provide a varied and appetizing lunch and all this at a low price of around 25 cents.

The use of well-planned school lunches at low prices has great implications and benefits to farmer and consumer. It introduces the school children to new and nutritious foods. They learn to choose well-balanced meals and why good food habits are important. The school lunch provides the farmer with a growing market for food. As the food habits are carried into adult life, it means bigger and better food markets in the future. Schools have had to accept responsibilities other than the teaching of the three R's. The school lunch program teaches the use of nutritious foods. Today the modern school must provide not only food for thought but also food for health.

I am no farmer. I have no farms in my district, except rock gardens in a backyard plot of 20 feet by 20 feet cared for by housewives, or wooden flower boxes on fire escapes or on window sills cultivated by urbanites. I do know, however, that in America there is an economic unity between farmer and laborer. The school lunch program is a valuable method to cement that unity; it is a road to health and a way for food distribution. It is for you to improve the road and ease the way.

I also am pleased to support the appropriation for the rural electrification program. Those who have seen farms with electrification have seen the visible evidence of its benefits, not only upon the view point of the young, but the manner of life of the people on the farms and in isolated areas. Those in the city who have not studied the rural electrification program and who do not fully realize its manifold benefits to the farms can appreciate the indirect benefits which the people in the cities are deriving from this program. Recent figures indicate that 96 percent of farm lands in the United States have been electrified mainly as a result of the rural electrification program. More than 90 percent of the farms today have mechanical refrigeration as compared to 93 percent in the nonfarm

areas, which indicates the tremendous boom to the manufacturing industry and to the steel industry. Life on the farm today is not so burdensome and the farmer is rapidly competing with the city dweller in the purchase of television. More than 53 percent of the farms have TV, as compared to 78 percent in the nonfarm areas. However, in the sanitary facilities, such as running water in the houses, bathtubs, showers, and flush toilets, the farmer and his family are way behind the city folks. Some people have said that the superiority of modern civilization over ancient civilizations is in the possession of plumbing and sanitary facilities. In view of the backwardness of the farm people in the enjoyment of these facilities, one can readily say that the farmers are not living in modern times.

I was privileged recently, as part of my committee work, to see the benefits of the rural electrification program in Puerto Rico. Rural electrification has brought a new way of life to people on the farms and in the hills. This program is one of the most valuable programs in our American economy and it is a pleasure to vote for appropriations to continue the important and beneficial work of this program.

I consequently heartily support this bill H.R. 7175.

(Mr. RHODES of Arizona (at the request of Mr. ANDERSEN of Minnesota) was given permission to extend his remarks at this point in the RECORD.)

Mr. RHODES of Arizona. Mr. Chairman, the committee report on the bill appropriating funds for the Department of Agriculture repeats some very strange charges about cotton exports. From reading it, one gets the impression that the Department has not been exporting cotton—that it has been dragging its feet and refusing to make our cotton competitive on world markets.

The facts to refute this charge are a matter of clear record. U.S. cotton has been moving onto world markets at record or near-record levels.

Since the 1956-57 marketing year, when this administration initiated a revised export program, a total of more than 15 million bales of our cotton has moved abroad. This is an average of more than 5 million bales for each of the 3 shipping years involved—above the 5 million annual goal generally regarded as our fair historic share of world markets.

In 1 year alone, 1956-57, our exports reached a total of more than 7½ million bales—clear evidence of very effective and very vigorous program operations.

It is true that during the current marketing year exports are running at a lower rate, and may not hit much more than about a 3-million-bale total. There are several reasons for this drop-off.

First, Foreign buyers anticipated lower prices after this coming August 1, as a result of new cotton legislation for this year's crop.

Second, Economic conditions in some countries caused a slowdown in cotton use.

Third, There was an increase in available stocks.

Fourth, Higher U.S. export payment rates were scheduled to take effect August 1.

This year's export situation is to a considerable extent a reflection of adjustments after 2 years of very high exports.

For the new marketing year, which begins August 1, it is expected that our cotton exports will be back to or above the 5 million bale mark.

The Department of Agriculture has already announced an increase to 8 cents a pound in the direct export subsidy rate. In addition, under the controlling legislation exporters will be able to buy cotton from the Commodity Credit Corporation at prices estimated to be about 3 cents a pound below the level at which CCC will buy the bulk of 1959-crop price-support cotton.

The total subsidy will, in effect, be more more than 10 cents a pound—about one-third of the price-support level. This is certainly aggressive action to make our cotton competitive.

For the coming shipping year, emphasis for the cotton export subsidy program will be on stocks drawn from normal commercial channels—to put the buying power behind privately-owned cotton, to the direct advantage of the cotton farmer and whole cotton industry. But the Department has also announced that it would also make direct export sales from CCC inventory stocks, if necessary to assure that our cotton is in a fully competitive position.

It is pretty hard to see what the criticism is all about. Some programs have been admitted failures, but the Government's cotton export program does not fall in this category. It has been an outstanding success.

The committee report also emphasizes the fact that \$100 million is being withheld from appropriated funds to restore CCC capital impairment, to encourage the Corporation to increase export sales. This again is a strange charge.

It is true that moving commodities out of inventory, through sales either at home or abroad, cuts down holdings. This lowers storage and handling costs, and requires less borrowings to finance current operations. But the fact remains that CCC's losses are realized when it disposes of commodities. That is when Congress appropriates funds, under the law, to restore capital impairment.

The \$100 million item the committee suggests withholding would merely delay the eventual appropriation. These losses are already realized, and they will have to be made up sooner or later. The committee action to withhold the funds at this time is merely a gesture.

The cotton export program is in good shape, in spite of some falling off in shipments for the current season. It will be in even better shape when the programs the administration has announced for the coming marketing year are in effect.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, as the low man on the totem pole of this subcommittee I now know more about agriculture after these few months of service on the committee than I acquired in all my previous 35 years of walking on this earth. I have learned more about cotton under the chairmanship of the distinguished gentleman from Mississippi [Mr. WHITTEN] than in all my previous life. Likewise, the genial gentleman from Kentucky [Mr. NATCHER] certainly has taught me more about tobacco than I ever learned in my previous 35 years. I would say to the gentleman from Washington [Mr. HORAN] that, because of him, I know more about what it takes to grow fruits and wheat out in the Pacific Northwest. The gentlemen from Minnesota [Mr. ANDERSEN] and [Mr. MARSHALL], and I have similar interests. We are from the Midwest and represent in large measure corn, soy bean, and feed grain producers.

The gentleman from New York [Mr. SANTANGELO], who preceded me, represented himself as spokesman for the city folks; others have spoken for the farmer. I would like to point to myself as bridging the gap between the producers and the consumers, because my district is roughly half urban and half rural.

I can say without contradiction that I probably support the Secretary of Agriculture and his policies more than any member of the subcommittee; and I make no bones about it, because I think his policies and programs are right, not only for my district but the Nation. My district is relatively a flat, level area of dark, black, rich land which sells for something like \$500 or \$600 an acre at auction. It has always been a farming community and always will be. So we are somewhat disturbed when we see great programs in the past that have tended to encourage submarginal and marginal producers by way of Government guarantees and Government subsidies, because we do not need those subsidies and we do not need those guarantees, and we will be in the farming business for as long as we are walking this globe in our particular area.

As the chairman pointed out earlier, we asked the Secretary of Agriculture to come up and present his program to the committee. I am grateful that he has done so in such explicit terms.

The thing that disturbs me, of course, is the fact that there is so much criticism leveled at the Secretary for being in office for some 6 years and still we have a bigger surplus on hand and a greater overall production problem than ever. I will say, however, that had the Secretary's program been adopted in its entirety from the very first day he stepped into office there would be a different situation confronting us today.

The economics of the farm dilemma is simple—it is the politics of the problem that is baffling. What farmers want and need is less Government in the farming business—less politics in agriculture.

Four-fifths of agriculture is free of Government controls and doing fairly well. It is in the areas where Government has been most solicitous and has

interfered most that there are real difficulties. Futile attempts by Government to control production and fix prices at artificial levels are the cause.

Despite repeated administration recommendations, the old rigid program is still in effect on a very few crops with only slight changes. It is not the Benson program, yet the Secretary of Agriculture must administer it. It was devised during the great depression and revised during the war. Today we have neither depression nor war. But we do have a rapidly changing agriculture which is undergoing an irreversible technological revolution.

The old basic crop legislation, still on the books, is outmoded and fails of its objective. It has placed ineffective bureaucratic controls on farmers, destroyed markets, piled up surpluses, and imposed heavy burdens on taxpayers. It does not fit the needs of the small farmer—56 percent of our farm population.

Yes, the economics of the farm problem is simple—less Government in farming. Quit trying to fix prices unrealistically from which flow the twin evils of production for Government warehouses and control of farmers. Emphasize markets, increased efficiency, and competitive selling. Eliminate Government's stranglehold on agriculture.

This is the solution.

Congress must not postpone longer the action needed. The existing, outmoded farm laws must be changed. Until Congress acts, agriculture will be burdened with too much Government, too much politics, and too little commonsense.

It is not popular to tell the farmer out in his community that we are going to cut down on his guarantee, that we are going to cut down on giving him ACP benefits, or all the other benefits that have been granted to agriculture by virtue of what we have done in this House and in the other body; but I take this position: When I speak in a rural county I speak for and defend the city dweller because I know their needs. The odds are against me, and I feel that it is my obligation to tell the farmers of the problems faced by the city folks. When I am speaking in the cities I support the farmer, because I know their problems and know they need someone to defend them. For the sake of a good discussion and thorough airing of the issues I like to take a minority position.

So sandwiched as I am between the farmer and city dweller puts me in a real good position to look at this whole problem objectively in order to determine where we should go after so many years of failure, probably for the last 20.

I am grateful, indeed, to the gentleman from Minnesota [Mr. MARSHALL] for earlier in the year making a study and inserting it in the CONGRESSIONAL RECORD; the charges that should be directly attributable to the farmer and those that are on the shady line and could very well benefit the consumer much more so than the farmer. It was a real service, and I am grateful to him for bringing this to the attention of this House and the American people.

The committee report goes a little bit overboard in treating that subject, and I will say that I have some reservation about there being more than 50 percent chargeable to the consumer.

Frankly, it seems to me that the only alternative to the Secretary's program is one of strict controls and regimentation. To me that smacks of Russian style, and I know that my farmers want no part of that and are much more inclined to be completely free to produce as they will and what they want.

For my contribution this afternoon, I would like briefly to discuss two aspects of this particular program.

First, I would like to say a few words on behalf of the conservation reserve program. The farmers did a magnificent job during the past war of gearing farm production to meeting the national emergency. The time is long past when we should have reduced our agricultural plant in line with current national needs.

The plan which shows promise of real production adjustment is the conservation reserve. Some 23 million acres of cropland will be in conservation reserve mothballs this year ready to again produce if needed in the future for another national emergency. Meanwhile it is protected from erosion by grass and trees. The cost of reducing production by this method is a fraction of costs of other now antiquated measures. I ask you, is that not a more sound, sensible, and economical approach on which both farmers and consumers can unite?

The committee by cutting the administration request from \$375 million for 1960 to \$325 million will permit only 2 million acres to be added to those now idled, whereas this year alone 7 million acres were offered by farmers which under the bill cannot be accepted. You should note that the soil bank law provides an annual authorization of \$450 million.

I would like to point out, too, that the bill limits total payments to \$3,000 per year for each farmer compared to the \$5,000 limit on annual payment, plus cost share payments now established by regulation. One would seem to assume that these payments are gravy and should be spread among as many people as possible.

I would like to point out that the purpose of this program of conservation reserve is not one of spreading a lot of gravy around among as many farmers as possible, but as far as possible rather to take out of production as many productive acres as possible. There are some 23 million acres in the conservation reserve at this moment.

This limitation, in my opinion, will strike a blow at hopes of reducing wheat production because of the larger sized farmers in the wheat country, and everyone agrees that wheat is now our No. 1 surplus crop. We should not discourage reduction of this commodity at this critical hour.

May I make the observation that we in our district will not benefit by these \$5,000 payments if they would be authorized. We do not have that size of spread. It seems to me that if we are going to actually take productive acres out of pro-

duction we have got to move to the West and particularly to this wheat-producing area.

If I might make one more point, it would be in reference to the ACP program. Personally, I feel that the proposed reduction in the ACP program recommended by the Secretary is sound. The proposal for reduction comes within the requirements of keeping our expenditures in line with the Federal budget. The ACP allocation has been assembled in the attempt to remain within this position and at the same time it contains sufficient funds to allow conservation to do the things that must be done in a well-rounded conservation effort.

I can fully appreciate that in some areas, maybe in New England, where there are small farmers, you hear these remarks: "This is the only chance we get to participate in the farm program." But, this, to my mind, does not necessarily make it right. The fact that as long as it is there, you will hear it said, "I want to get in for some, too."

For my part, Federal expenditures for ACP practices which could be reduced without material effect upon the overall conservation accomplishments are about eight items, which add up to roughly \$100 million. These would include lime for farmers' land to the tune of \$29.8 million. To supply phosphates to farm lands, \$4.5 million. To establish rotation cover crops, \$12 million. These cover crops are later plowed under to contribute to more surpluses in corn, soybeans, and other grains. To establish wells for livestock, \$4 million. For farmers' ponds, \$13 million. For open ditches, drainage, \$3.8 million. For closed drainage ditches, \$8 million. Expenditures for cover crops of a seasonal nature largely to supply winter grazing in the South and Southwest, \$25.7 million. And, when we add them all up it comes to about \$100 million, which, to my mind, could very well be cut away from these ACP payments. As I understand, in years gone by, before I was a Member of this body, there have been movements to cut it, and invariably it goes right up to the \$250 million or a quarter of a billion dollar figure. Mr. Chairman, I scratch my head sometimes when I hear someone say, "I have been around here 20 years, and we tried to agree informally that we would increase this or that \$5 million." I say to myself, "I have not been around here for 20 years; this was no agreement on my part informally or formally." And, I say as a new Member may be in time I too will fall by the wayside, but I am going to hold out for my point of view for a good long time to come. Granted, there are going to be arguments to the contrary further on in this debate, but I reiterate these are steps that the farmers would largely do without any assistance from ACP and would be compelled to do in order to farm. There is no reason for the public to defray part of the farmers' usual recurring costs.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to say that the gentleman has been a very valuable member of this committee, and I hold him in the highest regard. The committee tried to do its best to educate him, although I find that we have not fully succeeded. But, he is a wonderful fellow. There is an answer to this, which in due time will come.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Iowa.

Mr. GROSS. This program is no worse than the foreign giveaway program, which was supposed to be liquidated in 1951, is it?

Mr. MICHEL. I understand the gentleman's feelings about the foreign aid program, but likewise that does not justify that we can make the same kind of extravagant expenditure here at home, although admittedly it does more good at home than abroad.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I have in my pocket the daily Treasury statement. It shows approximately \$65 billion receipts so far this fiscal year, just about the same figure that we had about a year ago. The estimates for the rest of the fiscal year are a little better. But, on the other side of the fence, the expenditures have gone up from \$71 billion to \$80 billion, or \$9 billion. The total deficit at this moment is practically \$15 billion. I am only giving rough figures. I will not attempt to go into the details in this few minutes.

Now we are up against a situation where it does not make any difference what it is, we must begin to reduce our Federal expenditures, or we have to increase taxes, or else we are going to reach a point where we will blow up and have wild inflation. I do not want to see that sort of thing happen.

I am glad that this committee has not increased the bill any more than it has. But when you come to consider the whole thing, instead of a reduction there is an increase. The reduction is only \$100 billion in the amount available to the Commodity Credit Corporation and two other items in the run of the bill, one of them on the Soil Bank, of \$50 million, and another \$50 million on another item.

It does not make any difference whether a program is an elaborate program or a small program. We have to make savings of dimes and pennies. Frankly, I am satisfied that we could take a cut in this bill of \$150 million from the amount that is authorized for contracts under the ACP program. That is the budget estimate. The ACP program covers all sorts of things. The gentleman from Illinois mentioned many of them. As I understand, there is about \$35 million that goes to the limestone trust to spread lime around all over. I know lime is a very valuable asset to the farmer. At the same time a man in any other business has to supply his own things that make up his stock in trade. The farmer, I am sure—I know it is true in my country—is ready to supply any-

thing that he needed along that line himself.

Then there is something like \$35 to \$40 million for personal services for 35,000 employees in this picture, scattered all over the country.

I hope that when the time comes this House will show a spirit of trying to cut down on things that can be cut down. In addition to that we have another big program that ought to be given considerable attention. It runs about \$310 million even after the committee had cut the figure by \$50 million. It involves the renting and the leasing of lands. They call it the conservation reserve.

They have thrown out the whole of the acreage reserve program that was left. There was only \$1 million. But there is still \$310 million in this conservation reserve. That means the renting of land.

The further we go the worse the surpluses pile up. If we were stopping them by the kind of programs that we have, that would be one thing. But we are not stopping them. They are getting worse and worse and worse all the time. I am sure the farmer does not want it that way. This idea of providing funds for all sorts of programs, some to build up production, such as the ACP, and others to cut down production, is a proposition of working both ends against the middle. And you can never do that sort of thing without getting into trouble. It is not that people are not anxious to help the farmer, but the farmer, himself, in my opinion, does not want to have this sort of thing go on any longer.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. REUSS].

(Mr. REUSS asked and was given permission to revise and extend his remarks.)

Mr. REUSS. Mr. Chairman, for some years the conservationists of this country—from the great national conservation organizations, the National Wildlife Federation, the Wildlife Management Institute and the Izaak Walton League down to the individual hunter and outdoors lover and bird watcher—have been disturbed about the application of the otherwise excellent agricultural conservation program to wetlands drainage, particularly in the so-called prairie pothole areas of the Dakotas and Minnesota. They have been disturbed because whereas 10 years ago there were 1,350,000 potholes, there are today less than a million of these areas, in which almost all the ducks bred in the continental United States first see the light of day. The farm drainage problem becomes more acute in the light of the law that was passed last summer by the Congress, Public Law 85-585, which sets up an accelerated program whereby the Department of the Interior is now happily engaged in buying and leasing large areas of wetlands in order to protect the waterfowl supply of the North American continent.

I brought this problem to the attention of the Committee on Appropriations and I want to express my gratitude right now to the subcommittee chairman, the gentleman from Mississippi [Mr. WHIT-

TEN], and to the gentleman from Minnesota [Mr. MARSHALL] and to the gentleman from Illinois [Mr. BOYLE] and to certain Members who are not on the committee such as the gentleman from South Dakota [Mr. MCGOVERN] for their help in trying to work out this problem. While I have asked them to consider an absolute prohibition on further subsidized farm drainage in the prairie pothole area, and while in their report, they indicated that in their opinion this absolute prohibition was not sound, the report, on page 18, nevertheless contains an extremely significant sentence, that the committee requests the Department of Agriculture to cooperate fully in protecting these lands for wildlife refuges. I want to congratulate the committee for the fine way in which it has faced up to this problem and ask the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], whether my understanding is correct that the committee envisages this full cooperation between the Department of Agriculture and the Department of the Interior, which latter is directly charged with the acquisition and supervision of wildlife refuges, both at Washington and the local level, and that the committee would expect a report from the respective departments on the progress of such cooperation. Is my understanding about that correct?

Mr. WHITTEN. May I say to the gentleman, we do so expect. I would like to point out that the members of this subcommittee are very much interested in protecting the areas in which this wildlife originates for the good of the whole country. We have, in our dealings with the Department, urged in every way that we felt we could to cooperate fully in preserving these sites and we did that quite seriously. After advising with the gentleman, knowing of his interest as well as the interest of many others, we do expect to follow it and ask them to report to us as to their progress in this regard.

Mr. REUSS. I thank the gentleman. I might say it makes it easy for me, a city Congressman, to support this portion of the appropriation bill. I would ask one further question of the gentleman, calling his attention to page 12, line 20 through line 25, of H.R. 7175. That section relates to eligibility requirements for existing practices, and asks that they be not changed. Is my understanding correct that under this proviso the county ACP committees would not be expected to approve practices inconsistent with the observations on page 18 of the report which I just read, namely, that the Department of Agriculture shall cooperate fully in protecting these lands for wildlife refuges?

Mr. WHITTEN. I would have to answer the gentleman by saying—that, by our statement here, we do not mean to repeal any provisions of the law nor do we mean to impose a restriction on any particular area. These provisions that the gentleman has mentioned were put in because 2 years ago efforts were made throughout the country to eliminate certain practices which had been approved. I would like to say on the point that the

gentleman makes, we would again call on the Department to fully cooperate to the fullest possible extent with the Department of the Interior. Certainly there is no intention here to force the use of any practices that can be kept in the national catalog.

Mr. MCGOVERN. Mr. Chairman, I rise in support of the bill now before us and particularly the section relating to funds for the agricultural conservation program.

I am especially pleased with the statement in the report of the committee indicating the committee's awareness of the need to protect our wildlife while carrying on a worthwhile drainage program.

I agree with the gentleman from Wisconsin [Mr. REUSS] that it is perfectly possible to carry on a good farm management program without jeopardizing wildlife resources. As the Department of Agriculture stated in its report to the committee:

Good farming and improved wildlife resources can exist side by side.

I feel sure that the language of the committee report on pages 17 and 18 will provide the kind of intelligent direction that is needed to insure legitimate farm drainage programs without jeopardizing our prairie pothole waterfowl breeding areas.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, in relation to what the gentleman from Wisconsin [Mr. REUSS] has been speaking about, I might say there is certainly no commitment in the report whatsoever or any prohibition in the report whatsoever as to the county committees making whatever determination they might see fit to make relative to this matter. In other words, the word "cooperation" as used in the report, to my way of thinking, does not go so far as to tell the county committees anything at all. It does not tell anybody in the Department of Agriculture to take any definite action other than to continue to cooperate in this field of wildlife conservation in the future as they have in the past. I certainly stand on that opinion relative to what is in this report.

I would call to the attention of the gentleman that, as he knows, we discussed this amendment very fully in the full Committee on Appropriations. It was defeated 26 to 1, and I hope it will lie buried for a few years.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. REUSS. I do not think the gentleman from Minnesota has said anything inconsistent with the statement made on that provision appearing on page 12 of H.R. 7175 by the gentleman from Mississippi [Mr. WHITTEN]. Has he?

Mr. ANDERSEN of Minnesota. As far as I am concerned I may say to the gentleman from Wisconsin, the statement in the report is in no way to be construed as instructions to any county committee in my area that they can or cannot avail themselves of practices as set forth in the catalog issued by the

various State committees. Certainly the language does ask the Department to cooperate in every way possible. The Department today is cooperating; it is cooperating through the watershed program. Before any watershed in my district—which the gentleman's amendment attacks very severely—is finally approved, it is discussed with the fish and wildlife people. The amendment offered by the gentleman from Wisconsin, by the way, would prohibit 15 of my 19 counties from taking advantage of this particular program. Certainly I cannot agree that the county committees in any way shall be bound by any language which is in the report. It has not gone down to that level, I may say to the gentleman from Wisconsin.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that the full committee went on record against this amendment as it was offered?

Mr. ANDERSEN of Minnesota. That is correct.

Mr. TABER. Because it would impose upon the people of one group and one territory obligations not applicable to all, and we do not believe in doing business that way.

Mr. ANDERSEN of Minnesota. The gentleman is absolutely correct. Only the sponsor of the amendment voted for the amendment in the full Committee on Appropriations.

I would like to say, Mr. Chairman, that I have never seen or heard of an amendment which so directly pointed at one area of the country. Why? It is class legislation. I think if it ever reached the floor of the House any parliamentarian would have to rule it out on the point of order that it is class legislation.

I may say to the gentleman from Wisconsin [Mr. REUSS], as I have said before, I am willing to get together with him and see if we cannot assure as much cooperation as possible between our watershed protection programs and the conservation programs. But I want to be sure today that we do not pick out one single little area of the country and make it conform to a program to which other areas do not have to conform.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. Certainly I yield.

Mr. REUSS. I do not understand that the gentleman from Minnesota [Mr. ANDERSEN] in any way withdraws himself or disassociates himself from the statement in the committee report that the committee requests the Department of Agriculture to cooperate fully in protecting these lands for wildlife refuges. I do not understand that there is any intent to disassociate himself from that statement; is there?

Mr. ANDERSEN of Minnesota. Except that instead of the word "fully" I would prefer the phrase "as far as possible," because I am very close to these programs and I believe the Department of Agriculture is going as far as necessary in its effort to be cooperative. I only

wish the fish and wildlife people were equally cooperative.

Mr. REUSS. Did the gentleman attempt to change the language in the committee?

Mr. ANDERSEN of Minnesota. As the gentleman well knows, the wording of any report is largely the wording of the chairman; and that is as it should be; but I want to say that when I read the report I had reservations with regard to the word "fully." However, for the sake of not beclouding the issue and in an effort to avoid any serious disagreement I did not press the point.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to say I do not think there is any real difficulty here. In the first place the gentleman from Wisconsin has agreed to withdraw his amendment on the assurance of myself and other members of this subcommittee that we agree with the objective of his conservation effort, which is the conservation of wildlife, and that we are as interested in it as he is. As was pointed out, however, his amendment would prohibit one part of the United States from participating in the program. The Department, however, insisted that they were protecting this wildlife. So language was included in the report calling on the Department to cooperate fully in line with existing law—it cannot go outside of existing law. We recognize the fact that the gentleman from Wisconsin is interested in an end result; we are interested in the same end result, that is protecting the source of this wildlife. Under the law we asked them to go ahead on it. Everybody says they are for it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(Mr. METCALF (at the request of Mr. WHITTEN) was given permission to extend his remarks at this point in the RECORD.)

Mr. METCALF. Mr. Chairman, I wish to compliment the committee for taking a close look at the fire ant control program in the Southern States. I am not surprised that the committee received a great volume of complaints about this program because it has been inflicting real damage to the wildlife resources of the area, and, in some instances, to domestic livestock as well. This damage has been carefully documented by qualified research scientists of the U.S. Fish and Wildlife Service, of Alabama Polytechnic Institute and of the official wildlife agencies in the affected States. There is ample reason for alarm concerning the residual and long-term effects of the poisonous chemicals being used to blanket the land in the so-called "eradication" program which even U.S. Department of Agriculture officials now admit cannot achieve complete eradication of the nuisance fire ant.

I was pleased to see the committee's request, in the final paragraph of page 11 of its report, that USDA officials "review this matter so as to eliminate as far as possible any harmful effects of

this program." In its next sentence, the committee stated:

In particular, further study should be given to the aerial application of insecticides to make certain that only granular poison is used.

Mr. Chairman, I wish to point out that granular forms of chlorinated hydrocarbons have been used to date in the fire ant program and these granular forms have resulted in serious destruction of wildlife resources. The use of granular poison is no safeguard. The record is clear on this. The only commonsense safeguard at this stage of the program, Mr. Chairman, would be to discontinue the widespread application of such poisons by aerial broadcast until research has been completed to show the effects on other forms of life and until alternate methods of control and other kinds of insecticides can be thoroughly investigated.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

AGRICULTURE ITEMS IMPORTANT TO CITIES

Mrs. SULLIVAN. Mr. Chairman, I appreciate the courtesy of the subcommittee chairman in making this time available to me.

Mr. Chairman, there are no farms within the city limits of St. Louis, but this bill is vitally important not only to my city but to every city and town in the country. The Committee on Appropriations has done a good job in pointing out in the report on this bill that only a small part of the appropriations for the Department of Agriculture are for programs of a strictly rural or agricultural nature.

NEED FOR FOOD STAMP PLAN

Every school child in the country has a stake in this bill, but I should perhaps make clear the word is not spelled s-t-e-a-k, in view of the controversy over failure of the Department of Agriculture to purchase beef for the school lunch program during the past year, even though it had funds available for this purpose.

Mr. Benson submitted a prepared statement to the subcommittee full of self-serving claims on the surplus disposal program, but all of us who come from areas where the surplus disposal program is in operation know full well it is not a good program but is a dumping program and a disgrace when we take into account the kind of program we could be operating under a food stamp plan.

Mr. Benson has all the authority he needs to institute a food stamp plan for the distribution of surplus foods to the needy through the regular stores. He is against any such program and has refused to put one into effect. It is therefore the duty of Congress to require that it be done. Last year, a majority of the Members of the House voted for my bill to require the institution of a food stamp plan. We are going to have to go all through that again in this Congress—and this time I hope we finally prevail. I am sure every municipal official charged with distributing the food on the local level would disagree with

Mr. Benson's claim that the present method is the only practical way to distribute the food.

MEAT AND POULTRY INSPECTION

In connection with the statements in the committee report on meat and poultry inspection, I should like to say on behalf of the Nation's consumers that while these programs admittedly cost money, and will probably cost more in the years ahead as more plants come in under poultry inspection, the money we spend to assure the wholesomeness of meat and poultry is a necessary expenditure of Government.

I do not want to see this bill go through today without a voice being raised on behalf of the consumer on these two items of meat and poultry inspection. Otherwise, the Department is likely to take the criticisms in the committee report as reflecting the news of the House, and I do not think that would be a proper conclusion.

Let there be a review of the work of the meat inspection branch and the poultry inspection branch, as the committee report suggests. I am sure economies can be effected and policies and programs improved. But I do not at all agree that there is no need to inspect products containing meat or poultry just because the meat or poultry which went into those products was inspected at the time of slaughter. I have no objection to the Department making the report the committee requests, but I think the Department should know in connection with the meat and poultry inspection appropriations that the House is not demanding a weakening of meat and poultry inspection, and is not voting today for less emphasis on quality control in meat inspection, as the committee report implies.

In poultry inspection, I think procedures are less than adequate to begin with, so any weakening of this program would be a grave mistake.

SCHOOL LUNCH PROGRAM

So much for criticisms, if they can be called that, of the subcommittee handling this bill. I congratulate Chairman WHITTEN and others on the subcommittee, particularly Representative SANTANGELO, for digging into the school lunch issue and demonstrating the lack of good faith by the Department of Agriculture in the use of funds for the school lunch program in this current fiscal year, plus the amazing suggestion by the Department that the appropriation for this program be cut next year below current levels.

I am more than happy to go along with the Committee on Appropriations for the appropriation of the same amount of \$110 million as was appropriated last year, rather than the \$100 million included in the President's budget.

USE OF SECTION 32 FUNDS

The \$110 million included in this bill, plus the transfer of an additional \$43,657,248 of section 32 funds, should provide a much better program in the coming year than the one we have had this year. Even though the Congress last year permitted the transfer of \$35 mil-

lion of section 32 funds to augment school lunch funds, the record shows the Department did not use all of it, and used very little of it, in fact, for the purpose the Congress had in mind.

I have an excellent letter on that from the director of the school lunch section of the Missouri State Department of Education, Mr. Earl M. Langkop, which explains what happened in Missouri and throughout the country, and I want to include it at the conclusion of my remarks.

Mr. Langkop, incidentally, testified before the subcommittee in March as legislative chairman of the American School Food Service Association, representing all of the schools and school lunch programs. I urge the Members to read his testimony beginning at page 2825 of part IV of the hearings. His letter to me, which I am inserting below, was directed primarily to the situation in Missouri. It points up the peculiar developments in the program this year and the reason why Congress must very clearly earmark the use of section 32 funds if they are to be used for the purpose intended.

HIGH LEVEL OF UNEMPLOYMENT EXHAUSTS FUNDS

This year the situation has been most serious because of the high level of unemployment, and thus the increasing number of youngsters unable to pay their proportionate share of daily lunch costs. Missouri matched Federal payments 7-to-1 instead of the customary 3-to-1 ratio provided for in the National School Lunch Act, and even so, the funds have not been adequate. This is an excellent report, Mr. Chairman, and I know that anyone reading it cannot help but be impressed by the needs of the school lunch program and the apathy of the Federal officials administering it at the top level. How could they possibly have the heart to recommend that Congress cut the program below last year's level? I just cannot understand that.

SITUATION IN MISSOURI

Mr. Langkop's letter on the situation in Missouri is as follows:

STATE DEPARTMENT OF EDUCATION,
DIVISION OF PUBLIC SCHOOLS,
Jefferson City, Mo., March 17, 1959.

Hon. LEONOR K. SULLIVAN,
Member of Congress,
Third District of Missouri,
House of Representatives,
Washington, D.C.

DEAR MRS. SULLIVAN: As State director of the school lunch program, I feel that it is my duty and responsibility to the school children in Missouri to keep our National Representatives informed on matters dealing with Federal legislation, particularly with reference to the National School Lunch Program.

During each of the past several years it has been my unpleasant task to report to School Administrators about this time of the year that Federal funds appropriated for the School Lunch Program are again inadequate to provide continuing reimbursement throughout the school year, even though our reimbursement rate has been reduced to 4 cents. At the time the National School Lunch Act was passed, sufficient funds were appropriated at the national level to permit reimbursement at the rate of 9 cents for all type A lunches served in Missouri. Program expansion, over the

years, on a nationwide basis has increased by 225.7 percent. During this same period, however, Federal Appropriations have increased by only 23.5 percent. This accounts for the main reason we have had to reduce our reimbursement to 4 cents for type A lunches and discontinue completely reimbursement for type B and type C lunches. Even with our reimbursement decreased to 4 cents during this school year, we now find ourselves in a position where our available funds for type A lunches to be served this year will be less than 4 cents.

We are deeply grateful for your personal interest in connection with the appropriation last year and for the action taken by our National Representatives nationwide in authorizing an appropriation in excess of the amount recommended by the U.S. Department of Agriculture. We were also very much encouraged by the Congressional transfer of section 32 funds, which we felt would assist in narrowing the gap between increasing enrollments and participation and Federal appropriations for the National School Lunch Program. We were of the opinion at that time that this additional help would permit us to at least continue our limited reimbursement throughout the 1958-59 school year.

We now find that a further increase in participation has completely absorbed the additional funds appropriated, and we are in the same financial position as we were a years ago. Our schools in Missouri have been notified that, due to increased enrollments and a further participation gain, our allocation of Federal funds will become exhausted with the payment of April claims.

It is difficult for us to believe that the Congress, in passing the National School Lunch Act, intended that such a situation should develop. Section 2 of the act sets forth the very laudable purposes for which Federal aid was to be provided, and the wording in this section certainly implies that expansion of the program was desired. Section 3 of the act authorizes the Congress to appropriate such sums as may be necessary to carry out the provisions of the act. Section 7 establishes the basis upon which the States and local districts were to match the Federal funds as the program expanded. We feel that this section very definitely carries the implication that it was the intent of Congress that the necessary Federal funds would be provided as the program expanded, so long as the State and local communities carried their full share in matching the Federal contribution. There can be no question that the States have met this responsibility. In fact, in our own State last year these contributions reached the point of matching the Federal dollar on the basis of 7 to 1, even though the National School Lunch Act required matching of only 3 to 1.

The U.S. Department of Agriculture has access to participation figures on a monthly basis from all States and is well acquainted with the tremendous expansion of this program. In view of this situation, it is very difficult for us to understand why this agency has on two occasions seen fit to recommend a reduction in the national school lunch appropriation. We have the third such example of Federal apathy this year. In each instance, in the past, departmental officials in appearing before the Appropriations Committees, have maintained that the reduction in funds would be offset through increased allocations of surplus commodities. We have always maintained, and I believe the records will bear us out, that surplus commodities and such promises represent a most undependable source of aid for the schools in planning their budgets. The commodity program, over the years, has been one of feast or famine. Those who maintain that surplus foods have offset the reduced cash assistance are either woefully misinformed as to the workings of the price support pro-

gram, or they are deliberately trying to mislead the public and Congress with respect to school lunch assistance.

You will recall the drastic reduction in surplus commodities last year which created a tremendous additional financial burden for the schools. This reduction in surplus foods came at a time when unemployment rolls were at a peak and the demand for free lunches was heavy. Our schools have not recovered from the financial losses sustained last year, and unemployment in many sections of our State is still a problem, along with the accompanying increased requests for free lunches. Our welfare department now has a heavier caseload of unemployed persons receiving commodities than a year ago.

The Congress acted last year to assist program sponsors by transferring \$35 million from section 32 funds to be used by the Secretary of Agriculture to purchase additional foods needed to replace the losses resulting from lack of action by the Federal agency on price support operations during the 1957-58 school year. During hearings on the appropriation the committees were very critical of USDA because of this lack of action for aiding both agriculture and the school lunch program.

We have had some help from this transfer of section 32 funds during the present school year, and certainly, without this transfer we would have been in serious financial trouble. Outside of the mandatory support items of dairy products and cereals, the only surplus foods offered by the Department during this school year have been a very meager offering of fresh cabbage and peanut butter. Neither of these items were offered in sufficient quantity to permit statewide distribution to our schools. This leads us to believe that the Department has, through discretionary authority, successfully circumvented the intent of Congress on the transfer of section 32 funds by merely using them to carry out normal section 32 operations. We say this because each of the items purchased with the transferred funds this year have, in the past, been offered under the regular section 32 program. We now have a further indication of such action through the current purchases of large quantities of dried eggs during the heavy production period and the fact that offerings of this product, coming so late in the school year, cannot possibly benefit the schools in this year's program.

As of March 1, approximately \$6 million of the \$35 million transferred remains unused. This situation exists at a time when school lunch programs nationwide are experiencing extreme financial difficulty. In Missouri, 60 percent of our programs are operating at a deficit. The deficits are even greater in some of our other States. For example: 95 percent of the programs in Montana are presently operating at a deficit. Other States are in a similar position—California, 85 percent; Washington, 75 percent; Oklahoma and Wisconsin, 70 percent; New Mexico, 50 percent; Wyoming, 48 percent; Michigan, 40 percent; and so forth. Requests for free lunches for needy children are increasing. In fact, Michigan reports that in the city of Detroit two lunch programs had to be closed due to financial difficulties when free lunch servings totaled 80 percent. Many of the States have reported that because of increased participation this year, Federal funds available for reimbursement to the schools will amount to less than 4 cents.

It is rather difficult for us to explain to local school administrators why our reimbursement rate under the national school lunch program for the serving of complete type A lunches, which must include a half-pint serving of milk, has reached a point where it is less than the reimbursement available under another Federal program administered by the USDA for the serving of a half pint of milk only.

All of our major agricultural groups in Missouri, the Missouri Farm Bureau Federation, Missouri Farmers Association, and the American Dairy Association, are fully acquainted with the contribution this program is making to our agricultural economy and are on record as favoring an expanded school lunch program, which at the present represents a \$25 million industry in our State. We think this is evidence that the agricultural aspects of the program are being carried out in Missouri.

In order to restore the level of cash assistance alone that was available when the national act was passed would require a current appropriation of \$171 million. This does not even take into consideration the greatly decreased purchasing power of the 1959 dollar.

Unless more interest is demonstrated by the USDA in budget recommendations for the national school lunch program, it is obvious to many of us that this program will begin to disintegrate, and many schools will revert back to the candy and coke lunches which we have tried diligently during the past 11 years to replace with nutritiously adequate lunches for all children. This situation is beginning to develop, and we are hopeful that you will lend your help in assisting us to head off this situation before it gets out of hand.

In behalf of the schoolchildren in Missouri and nationwide, we sincerely urge your support of an appropriation of \$130 million for the national school lunch program for fiscal year 1960 and the transfer of \$45 million of dormant section 32 funds to the national school lunch program. We are firmly convinced that this is the minimum amount that will be needed next year if the national school lunch program is to avoid disaster. In the transfer of the section 32 funds, we urge that legislation be developed to effect a cash transfer of \$45 million from section 32 under the same plan that was used in the complete financing of the school lunch program during the 2 or 3 years immediately preceding passage of the National School Lunch Act. In this way the funds could be distributed to the States along with the national school lunch appropriation. We are convinced that the schools of this Nation can and will do a better job in accomplishing the intent of section 32 than has been demonstrated by the Federal agency in the use of the \$35 million transferred to the program during this school year.

In conclusion, let us say that the States and local communities are more than doubling the matching requirements set forth in section 7 of the National School Lunch Act. We are sincerely hopeful that our Federal Government will see fit to assume its fair share of the responsibility for financing this program as it continues to expand and in line with the very clear intention implied in the wording of the National School Lunch Act.

Your continued interest and cooperation in the sound financing in this program is deeply appreciated by all of us who are so closely associated with the administration and operation of the school lunch program in the States.

Yours sincerely,

EARL M. LANGKOP,
Director, School Lunch Section.

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

(Mr. GUBSER (at the request of Mr. ANDERSEN of Minnesota) was given permission to extend his remarks at this point in the RECORD.)

[Mr. GUBSER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. SCHWENGEL (at the request of Mr. ANDERSEN of Minnesota) was given permission to extend his remarks at this point in the RECORD.)

[Mr. SCHWENGEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MCINTIRE (at the request of Mr. ANDERSEN of Minnesota) was given permission to extend his remarks at this point in the RECORD.

Mr. MCINTIRE. Mr. Chairman, the Soil Bank Act was enacted in 1956 with bipartisan support. The conservation reserve, as administered in 1959, has demonstrated that a voluntary land retirement program will be used by farmers and that the program can succeed in bringing about an adjustment in production. At the same time, the conservation reserve has been responsible for some exceedingly valuable conservation gains. However, the conservation reserve cannot fully succeed as a production adjustment program until approximately 30 million acres are placed in the reserve. There are also many millions of acres of land in America in need of the conservation treatment provided by the Soil Bank Conservation Reserve.

To date, the program has established a remarkable record of conservation accomplishment. A total of 23 million acres have been placed under contract. Of this, 6 million acres were placed in the reserve in 1957, 4 million acres in 1958, and 13 million acres in 1959. On the 10 million acres placed in the reserve in 1957 and 1958, the practice establishment has been essentially completed. A total of about 8½ million acres are established in grass cover, 1 million acres have been planted to trees, and the balance of one-half million acres is established in water conservation projects, wildlife cover, or remains to be established. In this connection, a major accomplishment of the conservation reserve has been the establishment of permanent grass cover on over 3 million acres in the Dust Bowl area of the Southwest, where wind erosion has been a serious problem since the days of World War I.

Of the 13 million acres placed in the reserve in 1959, about 3 million acres were already established in satisfactory cover. Complete figures are not yet available, but on the basis of a preliminary estimate projected at the same rate, it appears that farmers have designated about 8.5 million for planting to grass, 700,000 acres for planting to trees, 150,000 acres for establishment in wildlife cover and the balance in temporary cover, water impoundment, and so forth.

While the soil, water, and forest conservation aspects of the program are impressive, the Soil Bank Act provides also for wildlife conservation measures. Here the program accomplishments are equally impressive. Best of all, the benefits to wildlife are of a kind which accrue to the general public, urban as well as farm. Since one in every three family units in the United States has a member who hunts or fishes, it can be

seen that this contribution has widespread benefit.

There has been a marked increase beginning in 1957 in wildlife populations throughout every region in the United States where participation in the soil bank has been substantial. Quail have increased in the Western States of Nebraska, Kansas, Arkansas, Texas, and Colorado; rabbits in the Eastern States where they are a popular sport species; quail in the Southeastern States of Georgia, Carolina, and Virginia. The States of North Dakota, South Dakota, Nebraska, Minnesota, and Iowa, and the Northwestern States of Washington and Oregon have boasted the most spectacular increase in pheasants. Improved pheasant hunting in Ohio and Michigan is also being credited to the soil bank by sportsmen in these States. To illustrate the magnitude of this increase, the total take of pheasants by hunters in South Dakota has risen from about 1,250,000 birds in 1957 to 2,500,000 birds in 1958.

This wildlife increase has come from the improved cover for wildlife that has been developed on the 10 million acres in the conservation reserve through 1958. Additional benefits can be expected to come from the 13 million acres added in 1959.

The State game and fish agencies and the sportsmen who support these State agencies are enthusiastic about the wildlife benefits of the program. The State agencies have become so impressed with the value to wildlife that they have been increasing their contribution of State license money to assist in carrying out the wildlife phase of the program. In 1957 State agencies put little money into the program, while by this year they have been contributing well over a quarter of a million dollars into technical assistance and additional cost-sharing payments. This has paid off handsomely in additional acres being developed specifically for fish and wildlife. The following table shows the acreage of wildlife practice development for the 3 years of the program:

	1957	1958	¹ 1959
Wildlife cover.....acres..	7, 700	24, 502	120, 446
Marsh development.....do....	1, 781	2, 063	5, 899
Fish pond construction number..	531	518	1, 410

¹ Preliminary.

In the face of this record of conservation accomplishment, those interested in wise use of our natural resources cannot understand the justification for actions by the committee which all but wreck the conservation reserve. Before and during the time the original Soil Bank Act was being debated, estimates were made that it would be necessary to place as much as 60 million acres in the conservation reserve in order to bring about the needed adjustment in production. Conservation treatment of the land as is being carried out under the program is needed on well over twice this many acres. To stop short of this goal is not only unwise—from the conservation viewpoint—but it also probably means that the funds so far spent on the pro-

duction adjustment phase of the program have been wasted. It is only when enough land has been brought into the reserve to actually achieve balance between production and consumption that any of the funds justified by the production adjustment phase of the program will have been worthwhile. To cut the program to \$325 million at this stage—only enough to contract for about 2.3 million acres, and far below the ultimate goal—is to completely negate any possibility of the program's succeeding as a production control measure.

The committee has commendably recognized the conservation benefits of the conservation reserve, but suggests that these could be obtained through other programs—specifically through ACP. While there is no question that the ACP has a creditable record of conservation accomplishment, it is not possible under the existing legal framework for ACP to assist in programs which are of direct benefit to wildlife. The Soil Conservation and Domestic Allotment Act has always, in fact, been interpreted as expressly prohibiting expenditures of ACP funds for anything except soil and water conservation measures. It is doubtful that conservationists would agree with the committee that the conservation objectives of the conservation reserve can be achieved through the ACP program in view of their support of a measure which has as its purpose the saving of waterfowl habitat being systematically destroyed by the programs authorized by the Soil Conservation and Domestic Allotment Act.

In summary, then, it can be stated that the conservation reserve program has a successful administrative record, and that it has made headway in reducing acreage devoted to the production of surplus crops. It has made an impressive record in establishing measures to conserve water, soil, forests, and wildlife, and it unquestionably deserves the continued support of Congress with sufficient appropriations to achieve the objectives of the program.

Mr. Chairman, as with all issues, there are two sides; however, it is my considered belief that of all our production adjustment programs the conservation reserve program gets directly at the problem.

I sincerely believe that the request made by the President and the Department of Agriculture, as reflected in the budget, was a sound one. The cut made by the committee will virtually serve to terminate this program.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Iowa [Mr. JENSEN], our concluding speaker.

Mr. JENSEN. Mr. Chairman, as the Members of this House know, I have felt it my duty all during my 21 years in Congress to support every appropriation bill brought to this floor by the House Subcommittee on Agriculture Appropriations, because I have complete confidence in the integrity, honesty, and ability of the members of that committee, who sit for months in hearings, and who have a most difficult problem at best

with which to cope. I feel they have been right most of the time, possibly 99 percent of the time. Hence, as I have just said, I have supported their recommendations, because I felt their requests were justified. I have voted for every dime requested in those appropriation bills for agriculture during all those years—which includes funds for the Soil Conservation Service and for the Rural Electrification Administration.

I did that knowing full well that the sums of money therein requested were enormous, but also knowing that all wealth springs from Mother Earth and that our entire economy is dependent on the prosperity of our farmers. About 75 percent of our new wealth is grown out of the ground; about 15 percent is pumped or mined out of the bowels of the earth, and the other 10 percent is fished out of the sea and the waters of this Nation. On those raw products everybody in America works, in some phase of growing, transporting, processing, manufacturing, and marketing raw materials. Now because of the fact that we have a bountiful supply of raw products on which everybody can be employed is the reason why today we have less than 6 percent of the American people unemployed, a smaller percentage than has been unemployed in the past 50 years. Some people used to feel it was healthy to our economy to have a lot of people unemployed. A few months before the Korean war Mr. Truman said, "We have 5 million people unemployed, and that is a healthy situation." But now Mr. Truman acts greatly concerned over the fact that we have less than 4 million people unemployed. Of course, all of us would like to see everybody employed, but if it were not for the fact that we have sufficient quantities of raw products available today many more people would be unemployed, as I have explained.

Mr. Chairman, the facts are, however, that we can appropriate, we can legislate until doomsday; we can amend, we can patch this present farm program until doomsday, and when we get all through we will be in about the same predicament we are today. We have a surplus piled up in the Commodity Credit Corporation of around \$8 billion on which we are paying storage of about \$1 billion a year. This is, naturally, depressing farm prices, which worries most of us, but we hear little said about the \$50 billion or more worth of obsolete military equipment we have piled up, and paying storage, in this country and all over the world. But, that is no excuse for having \$8 billion worth of farm commodities piled up in storage.

Now, in my studied opinion, there is only one good solution, as you have heard me say on the floor of this House many times during the last several years, and that is to do at this late date what we should have done 25 years ago when we converted from horse and mule power to motive power. Before the advent of the iron horse, trucks, tractors, and automobiles, and so forth, our horses used to eat the production of 43 million acres of our land. Is it any wonder we have a great surplus of feed piled up? We

have now over 3 billion bushels of grain piled up in storage under the jurisdiction of the Commodity Credit Corporation. As you know, Senator MUNDT and I have introduced a bill every year during the last three sessions of Congress which provides that all motor fuels should contain 5 percent grain alcohol processed from surplus grains. If that bill were made law, over 800 million bushels of grain would be converted annually into power alcohol. The residue from that grain would be worth 40 percent in feed value. Forty percent of 800 million is 320 million, leaving about 500 million bushels net reduction in our great surplus of 3 billion bushels of grain now in storage.

We are told that a safe ever-normal granary requires that we should always have in storage around 500 million bushels of corn and 500 million bushels of wheat, as a safe supply in case of poor crops and in the event of war. It is plain to see that in a very few years after the law went into effect which Senator MUNDT and I propose our depressing costly grain surpluses would be brought down to the ever-normal granary needs.

Time will not permit me at this time to explain our bill in full, but I will be glad to send all interested parties a copy of my recent speech on the subject which does explain our bill in detail.

You may ask why does Congress not pass the bill. You will have the answer after reading that speech.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I would not want this opportunity to go by without recalling also, besides the bill to which the gentleman refers to utilize surplus grain to make grain alcohol, the gentleman from Iowa, along with the gentleman from Mississippi [Mr. WHITTEN] were forerunners in the House, and I believe in the Congress, in offering ideas relative to watersheds and conservation as a whole, as we see in this particular appropriation bill; and I want to compliment him for having that foresight 5 years before the rest of the Congress.

Mr. JENSEN. Mr. Chairman, I thank the gentleman for that statement and want to say that the gentleman from Minnesota [Mr. ANDERSEN] had a great deal to do with the law which established watersheds in America, and our wonderful soil conservation program.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 minutes.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. O'HARA of Michigan. I notice in section 401 on page 29 of the bill, an appropriation provided for 425 passenger motor vehicles. I notice in other parts of the bill special provision relating to cotton producers, producers of apples and other commodities. I wondered, in light of the unemployment situation in all of the producing centers if the Chairman

knows whether these automobiles would be American-produced automobiles?

Mr. WHITTEN. Mr. Chairman, may I say to the gentleman that I checked the matter, although I felt certain of the answer. These automobiles for the various departments are purchased under a common plan by the General Services Administration. In our own bill we require that these automobiles be 6 years old or have been run at least 65,000 miles. So there is that protection so far as the number of cars is concerned.

I would not oppose an amendment requiring that we use American cars, but I think it is not necessary under the present procedure. These cars are American cars. They are bought on bid. I would be opposed to inserting a provision in this bill alone for that purpose. In the first place, it is not necessary at the present time. Even if there were to be such a prohibition, it should apply to the entire Government and not just to this particular Department. However, at the present time, there appears to be no reason to require it by law since they are not doing it anyway.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. VANIK. On page 19, line 16, after the word "contract" there is language about the fair rental value to be based on the actual production diverted each year. This has to do with the conservation section. This is extraordinary to me, because ordinarily we pay reasonable market value for these things. Would it not be more equitable to say "based upon its reasonable market value as agricultural land?"

Mr. WHITTEN. Mr. Chairman, we tried that last year. This program was proposed in the hope of cutting down production. Our investigation showed that the payments were made on what the land might have grown, not on what it had grown. What we are trying to get here is actual production in the past that has been taken out of production.

Mr. VANIK. May I say to the gentleman that I concur in the efforts the committee is making to get to the bottom of this problem. I feel, if it is based on actual production diverted each year that the rental value can go upward as the expected production of the land can go upward. If we base it on the reasonable market value of the land we are basing it on something that is understood.

Mr. WHITTEN. May I say to the gentleman that last year I felt just as he does now. We tried it last year and it did not work. We had language last year that it could not exceed one-fifth of the value of the land. We find this year that estimated values of land have skyrocketed. Some people have rented land that was not even farm land and paid for it on the basis of what it might have made.

Now we say that it shall be on the production that it did make, in the past, not what it may have made. The land has got to be reasonably priced on the production that was taken out. I worked in this field for many years. It

seems as though every thing we have tried has not worked. This is our latest effort.

Mr. VANIK. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL], a member of the subcommittee.

Mr. MARSHALL. Mr. Chairman, these are troubled days for American agriculture and no one knows it better than our Subcommittee on Appropriations for the Department of Agriculture. Hour after hour, day after day, during our hearings, we deal intimately with the great and small problems that in some way affect every farm family as well as the overall policies of the greatest food-producing Nation in the world.

The sheer complexity of the problem and the many-sided policies which bear upon it demand constant and diligent attention. There are always tensions when men work hard at seeking answers to hard questions. I say, however, that this is a rewarding experience when we are privileged to work with sincere and conscientious men. The task is made easier and the ordeal more tolerable because of the personal high regard and friendliness we share for each other.

HARD-WORKING SUBCOMMITTEE

Our able chairman, JAMIE WHITTEN, is always considerate and courteous. My colleague from Kentucky, WILLIAM NATCHER, is a gentleman in the finest sense of that word. I have learned to appreciate the efforts of our friend from New York, ALFRED SANTANGELO, who brings with him a genuine interest in the future of agriculture and a broad understanding of consumer problems.

On the Republican side of our subcommittee, my longtime friend, CARL ANDERSEN, has always been a capable and vocal spokesman for his constituents. WALT HORAN knows firsthand the agriculture of the Pacific Northwest and is interested in all phases of agriculture. This year, ROBERT MICHEL joined us and has shown himself a valuable member who understands and can discuss farm problems in knowledgeable terms.

All of these men, Mr. Chairman, are dedicated public servants who are interested not only in agriculture but in the welfare of the people of the United States.

We have worked long and hard on the bill before you. While we have had differences of opinion about some of the amounts included in the bill, we bring you the best bill possible in our judgment and ask your earnest consideration.

BILL HAS THREE GOALS

Every agricultural appropriation bill necessarily deals with three important phases, all of which are essential to our national growth. They are conservation of our resources, food, and clothing for our people, and an adequate income for the families which produce it.

We are enjoying a remarkable degree of success in attaining the first two of these goals. Anyone who is familiar with the agricultural situation today must concede that we have failed at the third. In fairness, however, we must immediately say that one of the reasons for

this failure has been the tragic disinterest in the financial well-being of farmers and the lack of information about farm programs on the part of some people. The absence of constructive leadership on the part of top officials is a principal contributing factor.

REMARKABLE SUCCESS IN CONSERVATION

In recent years, we made reasonable progress in maintaining conservation programs and conservation work which were given their starts nearly a quarter century ago. This has been accomplished with the ready cooperation of farm families who know that they are merely stewards of the rich resources upon which our whole future depends. I think we can safely say that in few other nations of the world have those who worked the soil shown such a genuine awareness of the great responsibility that is theirs in looking beyond today. This is a story that is not often told when the propagandists seek to portray the American farmer as a leech on the Public Treasury. Yet, it is probably one of the finest examples of Christian responsibility and humanitarian concern for the welfare of unborn generations.

Research programs which are essential to agricultural growth and which are part of agricultural growth are being carried forward. Farmers have been going through an explosive period of change. It is still going on. Some idea of the range of this change can be gained from the studies of the Agricultural Research Service of the Department of Agriculture.

MORE PRODUCTION, LESS ACREAGE

These studies indicate that in the period from the middle thirties to 1956, farm production has increased as much as if 141 million acres of cropland had been added to farms. The acreage actually harvested in 1956 was smaller than in the 1935 to 1939 period.

The same studies indicate that to meet the additional food requirements of our growing population, we will need the equivalent of another 170 to 180 million acres in the next 16 years. All of these extra acres will have to come through conservation, through better use of present knowledge or through additional knowledge gained from research because the prospect is for a contraction of cropland in the next decade rather than expansion of it.

WILL NEED DOUBLE PRODUCTION

Even more expressive of the demands to be made upon agriculture in the future is an excellent speech delivered by Dr. Byron T. Shaw, Administrator of the Agricultural Research Service, in Philadelphia recently. It is worthwhile to quote briefly from his remarks:

We're all aware of the present rapid increase in our population and the predictions that this trend will continue. The Census Bureau estimates that by the year 2010 we may have 370 million people, more than twice the population we have today.

This means that just to maintain our present diet levels, we will require twice as much food and other farm products as we're consuming today. New knowledge of nutritional requirements, especially for older and younger age groups, is emphasizing the need for more protective foods—those high in

protein, vitamins, and minerals. Meat, milk and eggs, and fruits and vegetables provide these requirements, but they're also foods with high production and processing costs. To make our people 50 years from now as well fed as they should be, farmers will have to at least double their present crop output and more than double present production of livestock.

At the same time, the amount of farmland available is not likely to be increased much beyond the acreage farmers are using today. Some new land can be brought into production by various methods. But, as our population increases, considerable present farmland will go into urban and other nonfarm uses. Trends also indicate that our farms will continue to increase in size and decrease in numbers, and that additional farm workers will seek part—or full—time employment in towns and cities.

In other words, by the time a child born today becomes a grandparent, our needs will more than double. To the consumer, the importance of maintaining a healthy agriculture will become more and more evident as the years roll along. To the consumer there is safety in numbers. A few too many farmers may seem better than too few. A little too much production may seem better than not quite enough.

ASSEMBLY-LINE FARMING NO ANSWER

To the millions in our growing cities, it might seem that the worst that could happen would be for the family on the farm to be supplanted by the corporation with its assembly line production geared to provide the market with what it will take at a predetermined most profitable price. People who accept that philosophy will, in my estimation, be due for a rude awakening.

In none of the Department's studies, nor in Dr. Shaw's speech, is there the slightest suggestion that farmers will not be able to supply all consumer needs. In our immediate time, the chief question is how to deal with the problem of plenty rather than the catastrophe of scarcity.

The evidence of recent years shows that almost everyone but the farmer has gained from agriculture. This has occurred in spite of the fact that production last year climbed to a peak undreamed of even 10 years ago. Consumers have gained in two ways—directly through food distribution programs or indirectly through an abundance which has helped to keep living costs down.

FUNDS FOR CONSUMER DISTRIBUTION

In the fiscal year just closing, more than \$400 million of the Department's budget went for consumer distribution programs of one kind or another, meat inspection, and other research work or service of most direct benefit to consumers.

Foods were distributed last year to nearly 20 million persons through school lunch, school milk, and other related programs. In the first half of this year, the number is exceeding 20 million. Here are the figures:

CHART 1

Consumer group	1958	1st half 1959
Children in schools.....	13,600,000	14,100,000
Needy in institutions.....	1,400,000	1,400,000
Needy in family units.....	4,665,000	5,230,000
Total.....	19,665,000	20,730,000

Source: Hearings, Department of Agriculture Appropriations bill, 1960, pt. 4, p. 2573.

RETAIL COST UP; FARM VALUE DOWN

Last year, the retail cost of food in the market basket bulged upward, then came down. The farm value of the food declined. The spread between value to the farmer and cost to the consumer widened. The farmer's share of the food dollar dropped to 39 cents.

Here is the month by month story of what happened:

CHART 2

Year and month	Retail cost	Farm value	Spread	Farmer share
				Percent
1958—January.....	\$1.042	\$422	\$620	40
February.....	1.049	430	619	41
March.....	1.075	456	619	42
April.....	1.085	452	633	42
May.....	1.085	447	638	41
June.....	1.084	434	650	40
July.....	1.080	425	655	39
August.....	1.065	416	649	39
September.....	1.060	419	641	40
October.....	1.053	410	643	39
November.....	1.049	407	642	39
December.....	1.042	400	642	38
1959—January.....	1.048	408	640	39
February.....	1.042	404	638	39

Source: Hearings, Department of Agriculture Appropriations bill, 1960, pt. 3, p. 1329. Figure for January revised.

CONSUMER GOODS UP; FOOD DOWN

All groups of consumer prices have increased during the past 12 months except food. The chief reason for this is that farmers have had to take less. Because food has not increased in cost as fast as other consumer goods, the farmer has helped to keep processor profits up and consumer prices stable. In effect, by taking less himself, the farmer is helping to pay both the dividends and the grocery bill.

Following is a monthly comparison of the Consumer Price Index on food and on all other items:

CHART 3

Consumer prices—Low cost of food is keeping all prices down
[Index—1947-49=100]

Year and month	All items	Food
1958—January.....	122.3	118.2
February.....	122.5	118.7
March.....	123.3	120.8
April.....	123.5	121.6
May.....	123.6	121.6
June.....	123.7	121.6
July.....	123.9	121.7
August.....	123.7	120.7
September.....	123.7	120.3
October.....	123.7	119.7
November.....	123.9	119.4
December.....	123.7	118.7
1959—January.....	123.8	119.0
February.....	123.7	118.2

Source: Economic Indicators, April 1959, prepared by Council of Economic Advisers for the Joint Economic Committee.

STABILITY AT FARMERS' EXPENSE

Sylvia Porter, the distinguished New York business analyst, explains it in another way in her April 29 column in the Washington Star. She says:

In the past year the overall level of prices you and I, as consumers, pay for goods and services has risen less than one-half of 1 percent. Since last June the rise has been a tiny one-fourth of 1 percent.

This is remarkable stability in the general price level. In fact, during no previous period on record have consumer prices held so narrow a range as in the past 9 months.

But the explanation for this extraordinary steadiness in the overall price index is just this: The cost of a typical food basket of a supposedly average city family has dipped perceptibly since last spring.

Outside of food, the price of most other things we must or want to buy are still climbing—gradually but relentlessly.

Just a few figures pound home the point. Food prices are down a full 2¼ percent in the past 12 months, and clothing prices are down another three-fourths of 1 percent. But the cost of transportation has increased 4½ percent. The cost of medical care has jumped 5¾ percent. Housing, personal care, recreation, other goods and services—all are priced higher than a year ago.

In short, food alone has kept the Consumer Price Index from leaping from peak to peak during this phase. If food is lifted out of a city family's market basket, the stability in price disappears.

I do not believe that the consumer wants or expects the farmer to help pay his monthly bills. All he asks for is an ample supply of the right foods at a fair price. There is no reason that this cannot be done in a way that will not threaten the livelihood of the people on our 5 million farms.

AGRICULTURE IS BASIC INDUSTRY

In this bill, we are considering funds for an industry which provides approximately two-thirds of all the raw materials used in the United States. It makes jobs, directly or indirectly, for 22 million people—a third of the employed workers in the Nation. It spends \$40 million a year with retail merchants and industry. It represents nearly one-twelfth of the population but yet receives one-thirtieth of the national income.

The base of this industry—the farmer—is caught in a time of trouble and a time of change. It is unfortunate that the policies adopted by this administration have tended to aggravate the trouble and to speed up the change.

Laws on the books when Secretary of Agriculture Benson came into office provided imperfect but still useful powers for stabilizing farm production and prices. No real effort has been made to make the most effective use of these until improved legislation could be enacted. Instead, the Secretary has gone about tearing down still useful, though imperfect, programs and laws and has done his best to substitute legislation which would have the opposite effect on stabilization.

BENSON: LOWER PRICES, MORE PRODUCTION

He has insisted upon lower and lower price supports. He has thrown produc-

tion wide open where this was possible. Still he is asking for more authority for more of the same. He has not used his authority to export Commodity Credit stocks to the extent that the law says he should. It is a constant pattern of unused or misused authority while asking always for other authority.

The result has been that farm production has risen faster than need. Farm prices have come down further than necessary. To verify this, all we need to do is use the Department's own figures on the production and price index:

CHART 4
Farm production and prices

Year	Production index 1947-49=100	Price index 1910-14=100
1952.....	107	288
1953.....	108	255
1954.....	108	246
1955.....	112	232
1956.....	113	230
1957.....	113	235
1958.....	123	250
1959 (1st 4 months).....		244

Source: U.S. Department of Agriculture.

COSTS RISING FASTER THAN INCOME

The farmer is caught in a situation in which his costs are rising faster than his gross income and net income is being squeezed. Only a little more than a decade ago, production expenses equaled about \$1 out of every \$3 of income. Now they represent \$2 out of every \$3 the farmer receives. You have to go back to the depression days of the early thirties to find a similar situation. The farmer cannot indefinitely accept higher costs and lower income at the same time.

Once again, Department of Agriculture figures give us a vivid picture of what is happening:

CHART 5
Farm income—Costs going up; net going down
[In billions of dollars]

Year	Gross income	Production expenses	Realized net income
1952.....	\$37.0	\$22.6	\$14.4
1953.....	35.2	21.3	13.9
1954.....	33.8	21.6	12.2
1955.....	33.3	21.8	11.5
1956.....	34.6	22.5	12.1
1957.....	34.3	23.5	10.8
1958.....	37.9	24.9	13.0
1959 (1st quarter).....	38.3	25.6	12.7

Source: U.S. Department of Agriculture.

While farmers are surviving on less and less income and higher and higher costs, the Secretary of Agriculture is spending more and more money with fewer and fewer results. Funds required to move stocks into consuming channels are at an alltime high and will necessarily continue so for some years as a result of the policies of recent years. Department of Agriculture spending has more than doubled since Mr. Benson took office and if current policies prevail, there is no end in sight.

COSTLY MALADMINISTRATION

In the Congress, we are faced with choosing the lesser of two evils. We can

grams which at least give us time to buy bare survival for the American farmer.

No one can deny the Secretary's success in discrediting the farm program by administering it in the most costly way possible and then deploring the cost. A few simple figures bear witness to the tremendous increase in costs during the very time farmers have suffered most. We want to talk about these figures and what they mean in greater detail but we need to have them in mind in comparing the words and deeds of those responsible for the administration of one important department of our Government:

CHART 6
USDA spending (millions)

Fiscal year:	
1953-54.....	\$2,917
1954-55.....	4,636
1955-56.....	5,177
1956-57.....	5,006
1957-58.....	4,875
1958-59.....	7,341

While deploring with monotonous repetition the cost of farm programs, the Secretary and the administration neglect to mention that many of these huge expenditures are not directly chargeable to farmers.

TRUE STORY ON FARM EXPENDITURES

Normally we would expect the Secretary of Agriculture to speak for the

permit the immediate and wholesale destruction of agriculture or we can provide the funds for maladministered pro-American farmer in telling the true story of farm program costs and who benefits from them. Experience in recent years, however, convinces us that if this story is to be told and told accurately, it must be done by those of us who work each year with the agricultural appropriation bill.

Last year only 30 percent of the funds spent went for programs directly chargeable to farmers. The balance of expenditures were for the benefit of the general public or for someone other than the farmer.

The estimate of funds appropriately charged to agriculture alone came to \$2.2 billion. This is less than the tax free income granted last year to corporations in the form of mineral depletion allowances for oil, gas, and other mining operations.

BREAKDOWN FOR FISCAL 1959

In justice to the American farmer, I have from time to time attempted to keep the record straight in my remarks in the House. Since the proportionate amounts will be similar for next year, it will be helpful to again look at the breakdown for 1959:

CHART 7

Estimated Department of Agriculture 1959 fiscal year budget expenditures

	Amount	Of the items listed left these are appropriately chargeable to farmers
	Millions	Millions
Charged to farm program for stabilization of farm prices and incomes:		
Price support, supply and purchase programs: This includes expenditures primarily to business totalling \$1,116 million, but these funds do not go to farmers ¹	\$3,118	\$989
Public Law 480, title I—exchange of farm commodities for foreign currencies.....	\$1,049	
Public Law 480—transfer of baled materials to supplemental stockpile.....	\$129	
Soil bank—acreage reserve.....	713	713
International Wheat Agreement.....	\$65	
Wool program.....	21	21
Food distribution.....	\$150	
Sugar program.....	68	68
Marketing quotas and allotments.....	40	40
Other (military housing \$38,300,000, waterfowl feed \$35,000, and sale of stockpile cotton less \$5,100,000 net income from crop insurance program).....	\$33	
Charged to farm prices and incomes.....	5,386	
Properly chargeable.....		1,831
Programs mainly for benefit of the farmer:		
Agricultural conservation program (for every dollar of Federal funds spent on this program the farmer on the average spends another dollar, providing double benefits to conservation industries and to national conservation gains).....	240	240
Conservation reserve program—payments made in exchange for removal of a specified number of acres from production for a stated number of years, and for carrying out conservation practices on the land while idled.....	141	141
Other programs, all with multiple benefits and not directly chargeable to farmers: ²		
Disaster relief, title II, Public Law 480 program.....	\$106	
School lunch program (over 2,000,000,000 meals to 11,000,000 children in 56,000 schools during fiscal 1959; Federal contribution matched nearly 3 to 1 by State and local groups).....	\$144	
School milk program.....	\$73	
Investment in REA and FIAA loans subject to repayment.....	\$590	
Long-range programs for the improvement of agricultural resources, including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and public land management.....	\$651	
Total agricultural budget.....	7,341	
Properly chargeable to farmers.....		2,212

¹ The business expense items include \$41,810,000 for purchase of strategic materials; \$203,215,000 export cost; \$36,841,000 purchase of storage facilities; \$102,368,000 net interest expense; \$48,802,000 administrative expenses, county office expense, Federal Reserve bank charges, etc.; \$683,173,000 storage, handling, and transportation charges for a year.

² Funds are considered by the Department of Agriculture to have multiple benefits and should not be directly chargeable to farmers. These are shown in a USDA tabulation dated Jan. 27, 1959.

Mr. Chairman, during the hearings on this bill the Secretary of Agriculture appeared before our subcommittee three times. In the questioning and discussion which resulted, Mr. Benson's intention as to future farm legislation became clear. So much so that at the close of the hearings the Secretary agreed to include as a part of the record specific recommendations for wheat, peanuts, tobacco, the conservation reserve, and Public Law 480.

SECRETARY'S WHEAT PROPOSALS

The Secretary asked for wheat legislation that would, first, give him authority to increase the national acreage allotment by 50 percent for any crop beginning in 1960, and to remove acreage allotments and marketing quotas after 1962; and, second, give him authority to establish price supports at from 75 percent to 90 percent of the 3-year average market price for the 1960, 1961, and 1962 crops. After 1962 support would be at 90 percent of the 3-year average market price.

He asked for an increase in the conservation reserve up to 35 million acres to be used as a crop control mechanism. He asked for an extension of Public Law 480 for another year, with authority to increase spending to a total of \$1.8 billion.

What Secretary Benson is asking for is wide open wheat production, a reduction in wheat supports, an increase in wheat acreage, an increase in wheat output despite the fact that we have more than a 2-year supply on hand.

BENSON PROPOSALS IN HEARINGS

Questioning of the Secretary and his associates brought out these facts:

First. Mr. Benson thinks there would not be too much wheat.

Second. When the price got down to about \$1.50 a bushel the lower qualities would begin moving into feed because prices would become competitive with other grains.

Third. Mr. Benson thinks 200 to 300 million bushels of additional wheat would be used as feed if prices were lower. This much wheat would supply the grain requirements for a year for 11.3 million milk cows averaging 5,200 pounds of milk a year, or 16.8 million head of hogs fed to 225 pounds each.

Fourth. Mr. Benson thinks increased wheat production would provide a feed supply on the west coast not now available without paying freight.

Fifth. Mr. Benson believes there needs to be some adjustment out of wheat to grass in the Great Plains area. As wheat prices are lowered, the questioning brought out, some of the dry land in the Great Plains would be retired to grass in Mr. Benson's opinion.

Sixth. Mr. Benson is not concerned about the competition of additional wheat with corn.

Seventh. Mr. Benson has no fear of a further increase in corn with average weather, in spite of an indication that acreage would be up sharply this year. He thinks corn legislation is good now, except he would like to have the 65 percent of parity minimum price support removed and 60 percent substituted.

Eighth. Mr. Benson thinks legislation is adequate for grain sorghums. He and his assistants are not concerned about an over supply of sorghums.

Ninth. As far as feed grain legislation as a whole is concerned, Mr. Benson wants the law left alone.

Tenth. Mr. Benson has had no studies made as to the potential increase in production which might come about as the result of his recommendations.

Eleventh. Mr. Benson does not know what the budget needs of his Department are likely to be over a period of the next 5 years.

Mr. Chairman, this is all a matter of record in the hearings of our subcommittee. I think it is important. In making his recommendations, Mr. Benson has forgotten the axiom that is well known to all livestock producers. This is that cheap feed always eventually leads to cheap livestock.

FARM ECONOMY CONFIRMS AXIOM

This is what is happening to our farm economy right now. One part of the livestock industry—the poultry producer—is already in trouble. All of us are hoping that trouble can be avoided later this year and next year, and the next, in hogs, in dairy cattle, and eventually in beef cattle.

Early this year a feed-livestock workshop was held at the Center for Agricultural Adjustment at Iowa State College. Economists from all over the country participated. The workshop was conducted to analyze "the cause and possible solutions to the problems posed by the huge stocks and unprecedented total supplies of feed and other grains."

IOWA WORKSHOP SURVEYS FUTURE

The conclusions of this workshop are the opposite of those arrived at by Mr. Benson. Permit me to quote briefly from a summary of the report:

The feed-livestock sector of agriculture is headed for serious trouble. Feed grain and wheat stocks have been building up for 7 years and now are double those needed to provide a generous margin of safety for a possible drought year. If present programs continue, stocks are likely to accumulate further even though feeding to livestock increases, and mounting carryovers of wheat will add to the supply of concentrates available for livestock feed. * * *

The large stocks of feed grains are now spilling over into increased livestock production, and hog prices in 1960 may be a third or more below the 1958 average. Prices of cattle, poultry, and eggs are also expected to go below 1958 levels, though not to the same extent. * * *

Present and potential feed grain production is so high that markets can be cleared through livestock and livestock products only if average prices are low. This is not a temporary situation; it may well last for a decade or longer. * * *

The economic difficulties faced by the feed-livestock sector and by agriculture at large are deep seated and persistent. We are not going to solve them by finding new uses for farm products, by otherwise expanding demand, or by exporting whatever surpluses we choose to produce at satisfactory prices. If farm income is not to be chronically low for a long time and if Treasury costs of farm programs are to be held within tolerable bounds, some means of restraining market supply must be found.

Unfortunately, the Secretary of Agriculture holds a directly opposite view. Instead of putting some restraint on production, he would throw it wide open. Instead of attempting to work off our large supplies of feed grains in ways that would avoid further injury to livestock producers, he would increase supplies of feed.

CABINET VETO UNFORTUNATE

It is also unfortunate that the Secretary of Agriculture, in effect, holds the power of veto over the Congress. The Secretary's views are shared and supported by the President and his advisers at the White House. If the Congress sends over a bill that the Secretary does not like, he can see that it is vetoed.

WHAT THEY SAID IN HEARINGS

There is so much at stake in Secretary Benson's position in regard to price supports and production of the grains which can affect all livestock that I feel the hearing record should be quoted directly at this point:

Mr. WHITTEN. You would not give me a figure on what levels you think you ought to have to straighten this matter out, say in 5 years or even in 10 years?

Secretary BENSON. I think the range we have asked for, 75 to 90 percent of the last 3 years, would give us all the leeway we need in order to bring about the adjustment which is necessary (hearings, pt. 4, p. 2333).

Mr. WHITTEN. How low do you think we should reduce support levels to bring this into balance for such period as you think is practicable?

Secretary BENSON. I think if we had the discretion, 75 to 90 for the 3-year period, that that would be ample time probably to make the adjustment which we need in the support level in order to start moving some of this wheat into feed and in order to permit the adjustment in some of the marginal areas back into permanent cover and into other crops other than wheat, areas that did not grow much wheat until we gave them this high incentive.

Mr. WHITTEN. In other words, you believe in 75 percent support? I am asking you what Congress should pass in the way of laws.

Secretary BENSON. I think, Mr. Chairman, that for the first year or two you would need to set it somewhere near 75 (hearings, pt. 4, p. 2334).

Mr. WHITTEN. Mr. Secretary, I have said many times you are quite a plausible talker and speaker, but I do not see in your speeches many figures or specific statements as to how. Can you provide figures as to how many bushels of wheat would go into feed?

Secretary BENSON. Yes; our statisticians can. But there was a time we fed between 200 million and 300 million bushels of wheat a year and that market has been lost (hearings, pt. 4, p. 2336).

Mr. WHITTEN. Your answer, if I understand it, is that they do not diversify and, if you had this change in support price for wheat, this 200 million or 300 million bushels of wheat would move into deficit feed areas and enable you to have more livestock than you now have. It still would appear that you would increase production.

What would be the effect upon present cattle and hog prices, if you had, say, 20 percent more cattle and 20 percent more hogs? Would that not work the hog and cattle people?

Mr. MORSE. You would not get such effects in cattle and sheep. You would get a better finished product and more of a premium price on the livestock along with some increase in pounds.

Other adjustments would take place. We have probably 8 million of 9 million acres in cultivation in the Great Plains that our soil scientists tell us should be in grass, and only in the event of war or some dire emergency should such land be farmed. As wheat prices are adjusted, some of that dry land will be retired to grass. Also, land that is subject to water erosion, and that is being farmed now would be put into hay or pasture (hearings, pt. 4, p. 2338).

Mr. WHITTEN. Could we have the number of farmers you hope to squeeze out of wheat production through this means, and the number of acres you feel must be squeezed out of production through this method?

Secretary BENSON. We do not want to squeeze anybody out necessarily.

Mr. WHITTEN. If you follow policies which stop them from producing wheat, have you not taken them out? How many farms are involved and how many acres are involved? Put that in the record.

When they have to quit growing wheat, what will they grow?

Mr. MORSE. Take the State of Kansas. Unless the agricultural authorities have changed, they are urging diversified farming. That is an area where the weather hazards are great; you can have wheat failures and near wheat failures. They have urged that farms should have at least two major sources of income.

Mr. WHITTEN. I can agree, Mr. Morse, that you are evading an answer. I will ask you again: When they have to quit growing wheat, what will they grow?

Mr. MORSE. Many of these people are farming thin soils, the very type of soils on which we are spending money for more conservation and on which we want more conservation practiced when we do not need farm products. Much of that land will go into grass (hearings, pt. 4, p. 2338).

Mr. WHITTEN. Mr. Sorkin, how many hogs would 200 million or 300 million bushels of wheat feed?

Mr. SORKIN. It would not all go to hogs. It would probably increase the total feed grain consumption in the neighborhood of 4 percent.

Mr. WHITTEN. You dodge almost as well as Mr. Morse. Ten pounds to a hog?

Mr. SORKIN. You will not feed it all to hogs.

Mr. WHITTEN. Let us say half of it goes to hogs and half to cows. I asked you how many hogs that would feed.

Mr. SORKIN. Let me do a little figuring here.

Mr. WHITTEN. Do not weigh your figures too much.

(The information requested follows:)

"Three hundred million bushels of wheat would supply the grain requirements for 1 year for approximately 11.3 million milk cows of average milk production (5,200 pounds of milk per year). Or, the 300 million bushels of wheat would supply the grain requirements needed to feed approximately 16.8 million hogs to a weight of 225 pounds."

(Hearings, pt. 4, p. 2340.)

Mr. WHITTEN. You would give up controls? Secretary BENSON. Yes.

Mr. WHITTEN. You would not want any control on acreage or otherwise?

Secretary BENSON. That is right.

After a period of adjustments you may have to use them temporarily.

Mr. WHITTEN. How long would you say?

Secretary BENSON. Eventually I think you would want to get away from them completely. In the case of wheat—

Mr. WHITTEN. You say you believe you would want to.

Secretary BENSON. No. I believe we should, Mr. Chairman. I am sorry I was not specific.

Mr. WHITTEN. What is your judgment as to how long that would be?

Secretary BENSON. It would vary with the individual commodities, I think, Mr. Chairman.

In the case of wheat, I think if we used the conservation reserve, the larger part of the conservation reserve in the wheat areas to help in this transition, that we could go to complete freedom rather rapidly.

It certainly would not take more than 2 or 3 years for complete freedom, providing we moved to the average market price as a basis for support and have the range of 75 to 90 in its use (hearings, pt. 4, p. 2360).

Mr. MARSHALL. Now, Mr. Secretary, assuming that these prices that I have enumerated here are appreciably correct, there is only one direction that wheat prices could go, and that would be down.

Secretary BENSON. I think that we must face the very hard problem that wheat prices must be adjusted downward if we are going to move more of it into consumption. I think that we are going to have to move some of this wheat back into feed as we used to do. I think when it gets down to around \$1.50, in that area, in some parts of the country they will start feeding wheat again, and the market will expand (hearings, pt. 4, p. 3036).

Mr. MARSHALL. Your statement would indicate to this committee that in thinking of future costs, that we are going to need to make some recommendations for a continued expenditure of funds for the Department of Agriculture in meeting these problems; would that be correct?

Mr. PETERSON. It depends upon what direction legislation applicable to support prices may take, Mr. Marshall, as I see it.

The Secretary has called to your attention the problems in wheat. Wheat production in most of the dry land areas west of the 100th meridian is a high-hazard operation. The hazards will depend upon conditions but they will vary from locality to locality and from farm to farm. If the incentive in the form of assured price is high enough, then the farmer—as you and I would do, I think—would balance what he is assured of getting against the risks he knows he must take; and if in his judgment it looks like he can afford to take the risk at that assured price, he will take it.

As we increase the risk by some reduction in price, some of those people will stop producing wheat (hearings, pt. 4, p. 3039).

CORN

Mr. WHITTEN. What is your best judgment as to what part of that 1.7 billion bushels of corn is excess to the normal carryover?

Mr. McLAIN. I would guess in the neighborhood of 1 billion bushels would be a safe carryover (hearings, pt. 4, p. 2341).

Mr. WHITTEN. What do you anticipate in the way of corn production? Do you consider \$1.12 with absolutely no control will tend to have the farmer cut down?

Secretary BENSON. On this \$1.12 that you referred to, Mr. Chairman, we carried out the new law on that. That represents 90 percent of the average market price for the last 3 years. And we do not believe it is going to result in much change in corn production (hearings, pt. 4, pp. 2341-2342).

Mr. WHITTEN. What reduction do you feel would be essential to bring corn in line with what the country needs to produce? What would be your objective in reducing corn production to bring it in line with what the country needs? I am asking for your best judgment.

Mr. McLAIN. We can relate it to all feed grains. They are all interrelated. The total feed unit, I think, is what you are talking about.

Mr. WHITTEN. Taking corn by itself, if the same feeding pattern continues, what reduction would you anticipate that we should reach to bring corn production in line with demand?

Secretary BENSON. Mr. Chairman, I do not think—

Mr. WHITTEN. I am asking for a judgment figure.

Secretary BENSON. I do not think you will need any reduction in corn with our livestock population as it is if we have normal weather. The thing that shot up production last year was the most favorable weather we have had in my memory nationwide. So with increased production of livestock and increased production of meat I do not think we will need any reduction in corn (hearings, pt. 4, pp. 2343-2344).

Mr. WHITTEN. You know, if you start feeding 200 million or 300 million bushels of wheat, to that extent you will not use the amount of corn and other feed that you now do.

Secretary BENSON. There would be very little displacement (hearings, pt. 4, p. 2346).

Secretary BENSON. We would not recommend any legislation, Mr. Chairman, on the feed grains.

Mr. WHITTEN. You are using 60 percent of parity.

Secretary BENSON. We think the law we have now will pretty well take care of things. We did object to the minimum of 65 in the case of corn when new legislation was passed last year. As you may recall, we felt that there may be a need some time to go as low as 60 percent on corn.

This year 90 percent of the average market price is higher than 65 percent of parity, so we did not use it this year (hearings, pt. 4, p. 2348).

OTHER FEED GRAINS

Mr. WHITTEN. Now I would like to find out what you mean. In your judgment, what do we need to cut back feed grain production to, and in order to cut it back to what you think it should be, what price-support levels do you think we ought to have? We cannot do the things you talk about unless we know just exactly what you mean.

Secretary BENSON. We think the legislation we have on feed grains is adequate, Mr. Chairman. (hearings, pt. 4, p. 2345.)

Mr. WHITTEN. You had a 500 percent increase in grain sorghums. How much of that excess production do you think we ought to cut back? Answer that and then we will discuss how to do it.

Secretary BENSON. Of course we started from a very low base on these sorghum grains. This is a comparatively new crop. Hybrids are a recent development. You started with a very low base. This increase has come in very recent years and I do not think we need, with the livestock population we have, I do not think we need any great cutback in sorghum grains. I think with this 60 percent support on marginal lands maybe they will not plant sorghum grains next year. I

do not think we need to do anything more (hearings, pt. 4, p. 2346).

Mr. WHITTEN. Mr. Morse, let us agree that the Ozarks area figures just as prominently as you have said, and that this Congress ought to do something about it. It should not be on a political basis, Democrat and Republican alike ought to do something about it. You tell me what you suggest that we do.

Mr. MORSE. All right—for the feed grains, leave the law alone (hearings, pt. 4, pp. 2352-2353).

STORAGE

Mr. MARSHALL. How much expansion is there in corn from your latest figures?

Secretary BENSON. I do not have the exact figure in mind, but the March intentions to plant report, as I recall, showed some increase in corn, I think in the neighborhood of 9 million acres. There is some decrease in sorghum, some decrease in soybeans, and some decrease in oats. There was an increase of approximately 9 million acres in corn, as I recall. Those are planting intentions as of March 1; they are not actual plantings.

Mr. MARSHALL. Are you going to be able to provide storage space for all this additional corn?

Secretary BENSON. We think, Mr. Marshall, that we will be able to * * *. (Hearings, pt. 4, p. 3032.)

LIVESTOCK

Mr. MARSHALL. What protection does the hog farmer, the cattle feeder, or the poultryman have against the dumping of a surplus amount of feed into the hands of people that feed corn and feed grains?

Secretary BENSON. So far as Government stocks are concerned, you know, of course, that the Congress has provided a provision that we are not permitted to sell any corn at less than 105 percent of the support level unless it is out of condition, or is threatening to go out of condition, so that there is not much chance there is going to be great quantities of Government corn dumped on the market. I think with the livestock population we have, current feeding is going to absorb current production pretty well. I hope they will still continue to move some corn into export and gradually reduce our stocks in the meantime (hearings, pt. 4, pp. 3033, 3034).

PRODUCTION

Mr. MARSHALL. Has the Department made any studies recently that would show what the potential production increase would be—not confined to any one commodity—in crops throughout the country? Have you made a study as to how much increased production we can expect in the next few years? * * * Let us take the program that you recommended.

Secretary BENSON. I do not know whether we have or not. Not specifically aimed at that. I think the general feeling is that we can expect our production per unit to continue the upward trend—maybe not as rapidly as it has been going in the last few years, but that the trend will continue to go up (hearings, pt. 4, pp. 3037-3038).

COSTS

Mr. MARSHALL. Considering the matter of price support operations and all of those items that might affect it by any stretch of the imagination, how much could we expect the needs of the Department to be for a period, we may say, over the next 5 years?

Would you care to make any sort of an estimate on that?

Secretary BENSON. I could not offhand, Mr. Marshall, but we will be glad to try and give some estimates, for what they are worth (hearings, pt. 4, p. 3041).

Mr. Chairman, the Congress has been generous with Secretary Benson. It has authorized him to spend more money than any other man who has ever held that office. It has increased the employees of his Department by more than 21,000 persons. It has yielded to his wishes on legislation far beyond the wishes of many Members, including myself, so that nothing would stand in his way to hinder his management of the farm program which is under his temporary jurisdiction.

CONGRESS RESPONDS ON LEGISLATION

Senator SYMINGTON, of Missouri, requested the Legislative Reference Service of the Library of Congress to draft a report on how the Congress has responded to requests for farm price and income legislation from the President and the Secretary of Agriculture. The report, quoted in the Senator's remarks on February 16, 1959, says:

In the past 6 sessions of the Congress some 53 recommendations have been made by the Secretary of Agriculture for price and income stabilization for commercial farmers.

Of this total, 21 legislative actions have substantially fulfilled the requirements stated by the Secretary, and 7 of his recommendations were only partially met, or the timing of the changes recommended were delayed.

DEPARTMENT OPPOSES CONGRESS

The record indicates that the recommendations of Congress, on the other hand, are acted upon with far less enthusiasm on the part of Secretary Benson. The Washington Farmletter of April 25, 1959, carried this story:

USDA dissents: Chairman COOLEY, of the House Agriculture Committee, said 3 weeks ago that House Members had introduced 238 farm bills this year, and that USDA had objected to every one of them on which it had taken a position. So we looked into the score since January 1953.

A total of 2,141 farm bills were referred to House Agriculture Committee in the 83d, 84th, and 85th sessions of Congress (1953-58). Of these, the committee asked USDA for reports on 529. USDA replied favorably on 127 bills, mostly minor measures. On some bills USDA took no stand or suggested changes. USDA rejected every major House proposal.

In the present session, USDA has objected to 26 out of 61 bills sent to it by the committee (out of 264 bills referred to it). To only two bills has USDA so far not objected. One was a bill to establish a country life commission (USDA said the purpose was okay but a commission unnecessary). The other is a bill tightening up regulations on excess wheat stored in order to avoid marketing penalty.

During this debate we have pointed out some of the many benefits still accruing from our present farm program, badly administered as some of us think it is. We also have acknowledged some of the faults which we know to exist.

CHANGES ARE NEEDED

Some of our programs are out of date. Some of our methods are no longer useful. We have to accept the fact that acreage controls in themselves have long since failed to do the job for which they

were intended, and especially so as they have been administered by the Department of Agriculture in recent years.

We must accept the fact of surpluses in some crops for a number of years to come. We have to accept the fact of high costs of running the Department of Agriculture for some time to come. However, a great deal can be done in this field if there is a will to improve management and cut costs where the studies of our committee show they can be cut.

We must accept the fact also, Mr. Chairman, of Secretary of Agriculture Ezra Taft Benson, at least until the end of the President's term. The Congress cannot repeal Secretary Benson, though Benson can veto the Congress. This is a fact of life that all of us may as well recognize.

LOOK TO NEEDS OF TOMORROW

We will still have to provide funds for the Department of Agriculture. We will still have to provide legislation for farmers. Looking ahead, it is plain that for the immediate future agriculture is capable of producing far more than can be used.

While all of these facts exist as of today, we need to look to the needs of tomorrow. Generations yet unborn will be enriched or impoverished by the way in which we deal with the economic problems on the farm and the land and water conservation needs of today.

Mr. WHITTEN. Mr. Chairman, we have no further requests for time.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960; namely.

Mr. TABER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-five Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 43]

Alford	Derounian	Keith
Anfuso	Diggs	Kilburn
Ashley	Dooley	Lafore
Ashmore	Dorn, N.Y.	Laird
Bailey	Dorn, S.C.	Lennon
Barden	Durham	Lesinski
Barrett	Elliott	Loser
Bass	Fallon	Magnuson
Baumhart	Farbstein	Matthews
Bennett, Mich	Fenton	Meador
Betts	Flood	Morrow
Boggs	Flynt	Meyer
Bowles	Fogarty	Milliken
Broomfield	Fountain	Monagan
Buckley	Gallagher	Moorhead
Bush	Garmatz	Morgan
Cahill	Gavin	Moss
Carnahan	Gialmo	Multer
Celler	Glenn	Mumma
Clark	Harris	Nix
Coad	Healey	Perkins
Coffin	Holland	Philbin
Corbett	Hosmer	Poage
Dague	Ikard	Powell
Daniels	Johnson, Md.	Preston
Davis, Ga.	Jones, Ala.	Prokop
Dawson	Karth	Pucinski
Dent	Kearns	Rabaut
Denton	Kee	Reece, Tenn.

Rhodes, Pa.	Taylor	Wharton
Rivers, S.C.	Teller	Wilson
Rostenkowski	Thompson, N.J.	Winstead
Saylor	Toll	Yates
Smith, Iowa	Tollefson	
Springer	Udall	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7175, and finding itself without a quorum, he had directed the roll to be called, when 329 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$7,500,000, to remain available until expended.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 16, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$241,500,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959, carried out during the period July 1, 1958, to December 31, 1959, inclusive: *Provided*, That not to exceed \$26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than \$5,424,200 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the 1960 program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including administration, and no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That no change shall be made in such 1960 program which will have the effect in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That the proportion of the State

fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year: *Provided further*, That not to exceed 5 per centum of the allocation for the 1960 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the 1960 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 12, line 15, after the word "to" strike out "\$250,000,000" and insert "\$100,000,000."

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I believe it was the famed Chinese philosopher, Confucius, who once said something like this:

The thing that troubles or concerns me is * * * if I should fail to move forward when I see the right course or fail to correct myself when I see my mistake.

Some of us have not been around here long enough to make any really serious mistakes. I do not mean to imply that many of the good Members who have been around here for many, many years have made many mistakes or even a few mistakes. But it seems to me in an item like this, ACP payments, which have gone on for years and years and now for the last several years have been in the neighborhood of a quarter of a billion dollars, that we ought to take another look at this and see what we can do to

put some rhyme and reason into this whole conservation program.

The purpose of my amendment is to cut back ACP payments from the amount authorized in the bill \$250 million, to the amount of the budget request, \$100 million. This would be, of course, for such items as limestone, phosphates, and so forth.

In other words, in this program we are paying farmers to establish rotation cover crops, to establish wells for livestock, farm ponds, for open ditches, and again for closed ditches, and for cover crops of a seasonal nature.

It seems to me that in this overall program we are paying on the one hand a quarter of a billion dollars to increase productivity of millions of acres of land and at the same time the big problem that confronts the country today in agriculture is the fact that we have so much surplus. So I say that on the one hand why continue to pay the farmer to increase the productivity of his land when the biggest problem we have is agricultural surpluses.

Of course, you are going to get some objections from some people back home. Representing a rural and an urban district, about half and half, as I do, I will get some objections from some of my farmers. It is not an easy thing to tell some fellow, "You are going to get less from the Federal Government," or, "We are going to do a little bit less for you this year than we did last year." But to my mind, it is the right thing to do. There will be some areas of the country where they will say, "This is the only program in which we can participate in the farm program." Particularly up in New England they will say, "This is the only chance we have to get our fist into the Federal till. You fellows in the Midwest with your acreage reserve and conservation reserve are going to get bundles of it, but this is an opportunity for us to get a little bit of change for our small farmers."

I think also you are going to get some objections from what I like to call the limestone trust, and those who through the years have come to sell a great many bales of fertilizer, because the Federal Government is picking up half of the tab to do the job. But that does not necessarily mean it is the right thing to do. Frankly, it looks to me as though we are doing a round robin. On the one hand, we are paying out to increase the productivity of millions of acres and at the same time we are having to pay thousands of farmers a support price or a conservation reserve payment to take his land out of production. Frankly, I think it makes much more sense to put this money into the long-range conservation reserve program where we take land out of production for a period of years and put it back into a cover crop rather than simply paying a farmer for increasing his production this year or the next year. If it is a long-range program, then I can support part of it, but so much of these payments are in the form of short-term year-to-year payments, and I am certainly opposed to the continuation of that type of program. That is the purpose of this amendment to give you folks

a chance to register your objections to these continual payments which now amount to a quarter of a billion dollars this year and to give you a chance to do something by way of economizing and saving the taxpayers a good chunk of do-ray-me.

I am glad to yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I think we have to get to a point where we are ready to save some money and to go along when the budget estimate is sent up here, as this one was, providing for \$150 million less than last year. I think we have to go along and do it. We need to do it. It seems to me that adopting this amendment is a good deal more important than turning it down just for the benefit of the limestone sellers.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a debate that we have had in this Congress many, many times. May I say at the outset there is no finer Member than the Member who just addressed you and who just offered this amendment. May I also say that he has worked hard and he has worked diligently. But in offering this amendment I do think it is quite apparent he has not had the time to give the attention to this and to other things in this bill.

In the first place, the gentleman points out in his earlier statement things that he thinks should be eliminated from these programs. They are carefully restricted to those that do not apply to his district. Now this is a big country. In my area I do not have many of the problems that the gentleman has, and if my land was worth \$500 an acre and I was in as close proximity to the markets as my good friend, BOB MICHEL, I probably would not have them either.

But I want to say this here and now. In my opinion, there is no obligation by the Federal Government to pay anybody to do work on his land. But, while there is no obligation, history shows that we have wasted 40 percent of all our natural resources, that the topsoil from 50 acres of land flows by the city of Memphis every day, and some of this from the State of Illinois, and that in some areas more than half of our timber has been lost in less than 150 years. If by this Federal program you can lead farmers to do the things that are needed on their land, this is the best investment that you can make.

Whatever practices are provided for in this bill are selected by the farmers. They go through this process. First, the Secretary of Agriculture prepares a catalog, and if it is not in the catalog, they cannot do it. If it is in the catalog, my friends, it is not used until the State itself approves it. Then, it cannot be used in a single county in the United States, unless the county committee says that it was important to that county. Then, my friends, it will not be done on a single farm unless the farmer chooses it. And when he chooses it, he decides that it is of sufficient significance that he will put up an equal amount of money and do the work himself. I have never signed up under this program myself.

I have farmed. I am not saying my land should not have been under it; it should have been under it. The lands I have dealt with have suffered because I was not cooperating with the county officials in the area. But I could not put myself in the position of letting anyone say my personal interests interfered with my duty here. Let me say to you again that my good friend will be here many, many years, and I am sincere when I say that; he is a very able person. But what he has done is to leave in the bill every dollar for personnel but not enough money to finance the program they are to administer. He said earlier that he was learning. He has learned well.

I am sorry to be so stirred up about this. My good friend JOHN TABER was interested in this amendment.

Mr. Chairman, there are a hundred things in this bill that should recommend it. I do think that if by this small amount of money you can lead the farmers of the country under their difficult circumstances to put money and effort into protecting the land for future generations, that is a good investment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. TABER. You know it is the usual dodge of the fellow who does not have a good defense to start talking about something else.

Mr. WHITTEN. I take the statement of my friend JOHN TABER, and especially at this time, as being the last word to rely on. But I am sincere when I say that the whole future of this country is involved in trying to see that we protect our soil. Let these practices that I am talking about continue. The farmer puts up his money and his labor. He selects from the catalog the program best suited to his lands. I do think it is unwise to take out most of the program funds as this amendment would. This is an old issue. We have resolved it many, many times in the past.

I trust you will vote the amendment down.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

Mr. CANNON. Mr. Chairman, I seek recognition.

The CHAIRMAN. The gentleman from Michigan offers a preferential motion which the Clerk will report.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. CANNON. Mr. Chairman, as chairman of the Committee on Appropriations I was seeking recognition.

The CHAIRMAN. The gentleman from Michigan has offered a preferential motion.

Mr. CANNON. But I was seeking recognition to offer a similar motion. But it is all right if I may have the last 5 minutes in opposition.

Mr. HOFFMAN of Michigan. I do not have control of the time. All you have to do is rise in opposition to the motion. You wrote the rules.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, no one has more admiration for the gentleman from Mississippi who just left the floor than does the Member from the Fourth District of Michigan, but it does not make any difference how loud you yell, the volume of sound does not change the facts.

The farmers who are getting relief under this agricultural legislation are being paid by all the people who contribute through taxation to the benefits which a comparatively few receive. Of course, we all know that; that is no new great discovery; it does not require one to be a sage or oracle to be aware of the situation.

What they are doing is what so many other groups do, especially the unions: They are asking Paul to pay Peter. What I am afraid of is that soon there will not be enough Pauls to go around. You all know the situation.

But may it be suggested that in Michigan in the Fourth Congressional District there are some who are willing to meet and successfully solve the problems which come to the farmers.

Permit me to read from a letter which came in the morning's mail from Andrew G. Lohman, manager of the Hamilton Farm Bureau Cooperative, Inc., located at Hamilton, in the township of Heath, Allegan County, Mich.

Mr. Lohman not only has managed this co-op for years, but, during the war, was called to Washington frequently as an expert on farm problems, on the production, purchase, and sale of poultry, of eggs—in fact, an expert on farm activities.

Under his management, the co-op has grown from a small enterprise into a co-op which does \$6 million worth of business a year.

Permit me to read from his letter, dated May 15, 1959:

We read in the Poultryman issue of May 4 of poultry producer appeals for relief from low prices of eggs and poultry meat. According to the press release, the congressional hearing is giving serious consideration to quota production and support prices to relieve members of the industry that are hard hit by slumping prices.

All poultry producers whether they be in egg, broiler, or turkey production, are finding it very difficult to make a living because of low prices. Here at Hamilton our feed prices to our farmers is 3 cents a pound. With a 5-pound feed conversion per dozen of eggs and a monthly depreciation per layer of 11 to 13 cents, those two items alone bring our egg cost to between 22 and 23 cents per dozen.

Just compare that with the egg price in the market here.

Mr. Lohman is the expert the Democratic administration used to call down to tell them about poultry, eggs, and other farm needs. He goes on to say this:

A support program at the present time will only help out these large vertical integration programs now getting underway and this

will prolong the agony. Quotas and subsidies will give only a temporary respite and are no real solution to the problem that faces us. If we tighten our belts the road ahead may be a bit rough but it will give the law of supply and demand a chance to function.

We feel that the Federal Government is not justified in becoming further involved in supporting prices of poultry products.

There was a group of five men, farmers all, who formed that co-op. They put in \$12,000 each. They are now doing a business of \$6 million a year. Without a dollar of Federal help, they have been and are successful, and in spite of the competition and difficulties, they are ready to ride along until we get back to the law of supply and demand.

We can go ahead, as we undoubtedly will, and let all of us pay first, members of one group, then of another, for programs which today are pushing us further into debt with the present farm program, which, it is said on wheat alone, costs us more than a million dollars a day. Go ahead with it until ultimately we will have to go back to a sound, sensible, tested way of legislating.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell us how much grain they have stored in that \$6 million operation, in that cooperative elevator?

Mr. HOFFMAN of Michigan. None. I do know that our subcommittees are coming up day after day with disclosures that we have surplus commodities which the Government purchases, stores, then sells at a loss of millions. That I do know.

Of wheat, we have enough on hand to last us at least 2 years. Yet we pay growers to raise more.

Mr. CANNON. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I take this time because I want to talk to the very best friends I have in the House. I want to talk to my fellow labor Congressmen.

Now, you know I am the dean of the labor men in the House. I have voted for labor longer and more consistently than any other man on this floor. Why, I was supporting Sam Gompers and John L. Lewis and voting for every labor bill they advocated before most of you were learning to walk—and from there on down to Meany and Reuther. I have never voted against a labor bill in my life.

I am dean of the labor delegation in the House and in the Senate and I am inclined to think I had better call a session of the delegation right now.

I heard just a while ago that there were some of my stanch labor friends who were saying they were getting a little tired of voting for these farm bills and were not going to vote with the farmers this time.

Now let us sit down and talk this matter over and reason it out together.

The distinguished gentleman from Michigan who just left the floor was right when he was talking about the price of eggs. Eggs are selling today lower than they have sold since 1941.

How would we like to go back to the wages we got in 1941? And how would the railroads like to go back to the freight rates they were charging the farmer in 1941?

Following the war I sold hogs for \$30 a hundred. At that time labor was getting the highest wages ever paid and everybody else was getting the highest prices ever received.

What happened. Everybody kept going up. Freight rates have been increased eight times since that—and they get the farmer going and coming. He pays the freight on everything he buys and on everything he sells. The tractor that cost him \$1,500 that year now costs \$3,600. But everything he sells has gone down. I sold a load of hogs a couple of weeks ago and got \$16.75 for them instead of the \$30—and that was the top of the market for the day. Everybody else—the butcher, the baker and the candlestick maker are getting more than twice what they were getting then and the farmer is getting half—for his eggs he is getting a fourth.

You had a good breakfast this morning—a nice fresh egg and a couple of rashers of bacon. I raised the hen that laid that egg and the hog that produced that bacon and I and the other farmers made you a present of a large part of that breakfast. You do not subsidize the farmer; the farmer subsidizes you.

Suppose you had paid us union wages for union hours. And our farmers were on the job before daybreak and finished up by twilight—7 days a week and the wife and children helping.

And still some of my best friends are getting tired voting for farm bills. The Prophet Elijah had something to say to King David about that on one occasion. Here is labor and industry and commerce and transportation—with their great flocks and high wages and high rates and high dividends and high quotations on the stock market. And they take away from the farmer his one poor little lamb—this pitiful little farm bill.

I will tell you what I will do, brethren. I will make you a fair proposition. If you will repeal all the labor laws on the statute books—minimum wage, child labor, collective bargaining, labor relations, immigration, and all the rest of them—the farmer will give up his little farm bill you are getting so tired of. Either everybody come down or nobody come down. Either a law for the farmer or a law for nobody. The farmer does not object to the high prices you charge him. The farmer believes in high prices—to every man the assured fruitage of his toil. But the farmer believes in reciprocity. That is what I have been practicing every time I voted for a labor bill. And I am going to continue to vote for them. They are simple justice.

But let us go a little easy on that tired business.

Kiplinger says in his letter this week that food is the greatest bargain on the markets of the Nation today. And that is unquestionably true. It takes less hours of labor to buy food today than ever before. And the farmers gets the smallest part of the dollar paid for food of anybody. The man who delivered

that bottle of milk at your door this morning gets more out of what you paid for it than the man who owns the farm and the herd and pays the taxes and works 14 hours a day. If the farmer donated the wheat that goes in your loaf of bread the loaf would not cost you a cent less at the grocery store.

Surely the laborer is worthy of his hire. So do not grow weary of well-doing. Do not get tired of voting even the meager wage he gets. I don't like this bill. But this is all we can get. It is this or nothing.

Do not bite the hand that feeds you. The farmer is giving you more and better food than ever before—and at the lowest price in terms of labor—ever paid.

My friends, let me plead with you. Do not kick the underdog. Give us a square deal. Just enough to let us stay on the farm our fathers left us.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. MICHEL].

Mr. Chairman, the bill before us today carries a little better than \$3.9 billion in new money. The ACP program in operation in this country today has 1,208,000 farmers participating and there are 1,161,000 farms and ranches in this program. The amount of money in this bill for the ACP program for the fiscal year 1960 in actual money totals \$241,500,000.

Now, Mr. Chairman, let us compare that amount with the amount in this bill for conservation reserve. In this bill we have \$310 million for conservation reserve. There are 125,000 people participating in the conservation reserve program. We further authorize for the next year \$325 million for conservation reserve.

Now, compare the number of farmers in the conservation reserve program and those in the ACP program. If there is one part in this bill, Mr. Chairman, that benefits the small farmer, it is this particular portion of the bill, the ACP program. Here in this country, Mr. Chairman, agriculture represents 13 percent of the population and receives about 6 percent of the total income. I say to you if you want to hurt the little farmer, the man that needs more help today than anyone else, all you have to do is vote in favor of the amendment offered by my distinguished friend from Illinois. As pointed out by my chairman, the gentleman from Mississippi [Mr. WHITTEN], our new member, the gentleman from Illinois [Mr. MICHEL], the sponsor of this amendment, is making a fine member of this committee, but I would like to say to him that in his district, even though half of it is urban and half of it is rural, there are more little farmers receiving benefits from this program than from any other part of this bill.

Mr. Chairman, I hope the amendment is voted down.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield

Mr. NATCHER. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Are we not here asking ourselves this question: Shall we or shall we not pay some attention to the condition of our soil 50 years from now?

Mr. NATCHER. I agree with the gentleman.

Mr. ANDERSEN of Minnesota. Now, through this program it is a well-established fact that for every dollar the farmer receives in assistance he contributes at least \$2, if not \$3, of his own time and money to see to it that those particular practices are applied to his land, in other words, for \$250 million of ACP money the farmers of the United States are applying directly to the soils of the country at least \$500 million in increased value of the soil, not just for themselves but for the Nation generally. They are mere temporary caretakers of that soil, that thin layer measured in inches that provides the food for the people of the United States. But, they are taking care of that soil for these 300 million people that I mentioned earlier today who will be in the United States of America just 50 short years from now.

I think it would be the height of foolishness to accept this amendment.

Mr. NATCHER. Mr. Chairman, I agree with the gentleman.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my friend from Illinois.

Mr. MICHEL. The gentleman certainly has made a forthright statement in behalf of his own position. I want to make it very clear that I carry no brief for the large farmer, because I have no so-called corporate or large farmers in my district. They are small farmers, and as I indicated earlier in my remarks, since there are so many small farmers, it is going to take a couple of bucks out of their pocket, and that is not an easy thing for me to do, to go back to my farmers and say, "I am going to propose to cut you out of 10 or 15 or 50 bucks."

But I am looking at this in an objective way. Do we want to increase the productivity of millions of acres of land when at the same time our overall problem in the country is one of overproduction?

Mr. NATCHER. Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes 53, noes 95.

So the amendment was rejected.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: On page 14, line 18, strike out the period in line 18, insert a colon and add "Provided further, That no part of any funds appropriated herein for soil building and soil and water conserving practices, under the Act of February 29, 1936, as amended, shall be used to make small payment increases as provided in section 8 (e) of that Act."

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman reserve his point of order?

Mr. WHITTEN. Mr. Chairman, I reserve my point of order.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTEN] reserves his point of order against the amendment.

Mr. BYRNES of Wisconsin. Mr. Chairman, I appreciate the action of the chairman of the committee in reserving his point of order rather than pressing it at this time. I am hopeful, after an explanation of my amendment, that the gentleman will recognize the merits of the amendment, for one; and the remarks I make will go to the question whether a point of order would lie against this amendment. So we may save time on that.

Mr. Chairman, the purpose of this amendment and the real effect of this amendment would be to increase the payments under the agricultural conservation program for actual conservation practices without any increase in the appropriation for that purpose.

I did not realize that this was the situation until I was advised by the chairman of our State ASC committee in Wisconsin of problems that they have encountered under section 8(e) in the 1938 act, which provides these so-called small payments. Under the law enacted in 1938 payments made to farmers under the ACP program are increased by specific percentage amounts if the payments are less than \$200. This is known as the small payments increase provision. All of these increases are in small amounts. Under the formula provided by law they run from \$8 to \$14 a farm, depending upon the size of the payment which the farmer otherwise would earn as a result of his practices.

In the aggregate, however, they represent a sizeable portion of the funds paid by the Federal Government for conservation practices. In 1957, for example, the latest year for which I have data, small payment increases cost the Federal Government \$10,743,000.

This large amount of money was not paid for soil conservation practices. It was purely a gratuitous gesture on the part of the Federal Government. It did not produce a dime's worth of soil conservation. On the contrary, and this is the tragic part, this \$10 million was withheld from funds which otherwise would be available for payments to farmers for carrying out conservation practices.

This is conservation in reverse. From 1938 through 1957, over \$600 million have been paid out in these so-called small payment increases. Not 1 cent of this has gone for soil conservation. Over \$600 million has been spent which otherwise might have been used to build up our soil.

This has come about either through legislative inertia or oversight. ACP payments were originally of two types: first, conservation practice payment; and, secondly, payments for planting within reduced acreage allotments in the case of certain soil depleting crops. Legislative history shows that the major purpose of the small payment increase

provision, added in 1938, was to encourage small farms to participate in the acreage reduction program.

Beginning in 1944, however, payments for acreage reduction ended and since that time, assistance under ACP has been limited solely to conservation practices. But, the basic law has never been changed and so, we still continue to make small payment increases which were meant for a purpose which has long since lost its validity. The Administration recommended, in 1955, and has since urged, that the small payment increase—section 8(e) of the Soil Conservation and Domestic Allotment Act—be repealed, but Congress has never acted upon that recommendation.

Thus, we continue to pay out over \$10 million a year, in dribbles of \$8 to \$14, for no purpose whatsoever, withholding this large sum from funds which are supposed to be, and should be, used for actual conservation practices. If we ask what this means to the farmers and to the people who are interested in this program, just let me read a paragraph from a letter I received recently from the clerk of the Guthrie County ASC Committee of Guthrie Center, Iowa. He says:

This payment is purely a gift and does no good whatsoever in encouraging soil conservation practices. In many cases in our county, refund of this gift is necessary because later in the same year an individual may do another practice bringing the total payment over \$200.

I continue to quote from the letter:

In cases where a purchase order is written for example on lime, the Government's share is made to the contractor and then several months later the farmer receives a check of \$14 and he comes to the county office to inquire what this payment represents.

Mr. Chairman, it seems to me this \$10 million or more that we are spending in this giveaway proposition could very well be used to implement what we can actually pay in a matching formula under actual soil conservation practices.

Mr. Chairman, I suggest that the amendment being not only what I consider meritorious to improve our soil conservation program and make available more money for actual soil conservation practices is in order as a limitation on an appropriation bill.

Mr. WHITTEN. Mr. Chairman, before speaking on the point of order, I would like to answer some of the statements made.

First, this provision, as was pointed out by the gentleman, was written into the law in 1938. It has been my experience and observation that the reason for many small farms in the country may be the lack of attention in the years past to preserving the soil and things of that sort. It is recognized that the larger operators are more apt to do the things that the soil needs more frequently than the small operators. In the basic law, this provision was written in here on the basis that by a small payment, which generally is tied up to a small farm, the Government will contribute a larger share of the cost of the practice. That is the basis on which it was written into the law. And, it is the basis on which it has been operated, so far as I know.

This usually is tied to the small farms. Your procedure in every county is that the county committee advises the rate at which the Federal Government will make contributions within the limit of the money available. That is the policy of small payments which has existed since 1938.

Now, Mr. Chairman, as to the point of order. The gentleman's amendment is tied to the money which this bill would appropriate to pay for contracts entered into last year. I would respectfully submit here that to tie strings to the money that is authorized under the basic act for this additional contribution under small payments on contracts which the Government owes, certainly should not lie here. That is a matter having to do with legislation. If the law needs to be changed, I am certain the gentleman could ably offer his recommendations to the legislative committee on agriculture where this matter should go.

Here in this bill, and we fought over this many times, Mr. Chairman, in the conservation program, the ACP program, you do two things. You announce next year's program and you provide funds for the payment of existing contracts which have been entered into under the previous year's announced program. This particular amendment would prohibit the payment of some funds under existing contracts. I respectfully submit it is improper to reach at it in this way, and I think the amendment is subject to a point of order.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard on the point of order?

Mr. BYRNES of Wisconsin. Mr. Chairman, I wish only to repeat what I said during my principal remarks, that I present the amendment as a limitation on an appropriation and I believe on that basis the amendment is in order.

The CHAIRMAN (Mr. KILDAY). The Chair is prepared to rule.

The gentleman from Wisconsin has offered an amendment which has been reported by the Clerk. The gentleman from Mississippi has made a point of order against the amendment on the ground that it constitutes legislation on an appropriation bill. The Chair would point out that the amendment, as offered by the gentleman from Wisconsin, is a proviso to the language contained in the bill providing that no part of any funds appropriated herein—and then states the limitation of purpose for which the funds appropriated in this bill shall not be used. Therefore, the Chair is constrained to hold that this constitutes a limitation on the use of the funds and, therefore, would be in order. The Chair overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment. I simply point out the fact that this law has been in existence since 1938. In addition, to that, announcement of the program was made last year. The money in this bill is for the purpose of paying existing contracts. I respectfully submit to my good friend from Wisconsin that the place to handle this problem is in the legislative committee. Let them consider it and report appropriate legis-

lation. I think it is improper here at this time to attempt to eliminate a part of existing contracts; and I therefore hope the amendment is defeated.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I do not intend to extend the debate; I would suggest to the gentleman that I have brought the matter to the attention of the legislative committee, and it is my hope that as far as future years are concerned the law will be changed so it will not be necessary to use this method, but as far as this particular \$10 million is concerned, it could be made available for conservation practices. I suggest to the gentleman that the contract that is made is a contract to perform certain practices and then the Federal Government would assure a certain amount. This only goes into effect in this way so far as the \$200 payment is concerned. If it comes out to \$186 they then make his check out for \$200. I am sure the gentleman recalls the case that was written about to me by the AFC clerk in Iowa.

Mr. WHITTEN. May I say in conclusion that the little operators should be protected and that the bulk of the funds should not go to the big operators. The purpose the gentleman has in mind we may agree with, but it should be done by proper legislation.

This law has been carried out as it is since 1938, and I respectfully submit that when we make contracts we should honor our commitments and should not by the adoption of an amendment such as this to entirely change a policy that was announced last year under a law that has been in effect since 1938. Let us allow the appropriate committee straighten this out.

I hope the amendment will be defeated.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Wisconsin has correctly stated that this does involve around \$10 million or \$11 million, but this is not the way to reach it. If the gentleman has strong feelings on the subject an amendment with proper drafting by way of the legislative committee is the proper course. This amendment would, of course, apply mostly to small farms.

Just purely from an equitable standpoint and the fact that the gentleman did not offer an amendment coincidentally which would take off the \$10 million from the amount in the bill means, I think, that this would just play into the hands of the large operators.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. BYRNES of Wisconsin. Nobody could lose much money. The gentleman will certainly concede that no individual farmer in any 1 year could lose more than \$14. Under this program that is the maximum, \$14 that is paid on the small farm to the individual farmer. So this is not a case of taking a million dol-

lars or \$100,000 from a farmer. The most that could be taken would be \$14.

Mr. ANDERSEN of Minnesota. If it is \$14 or \$50 or even \$100, the principle is the same. That is the trouble with this kind of amendment offered from the floor. In all equity such amendments should not come up here and be decided after 5 or 10 minutes of debate. To deal with such situations is why we have the House Committee on Agriculture.

I hope the amendment will be voted down.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in support of the amendment.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

[Mr. HOFFMAN of Michigan addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BYRNES].

The question was taken; and on a division (demanded by Mr. BYRNES of Wisconsin) there were—ayes 51, noes 89.

So the amendment was rejected.

Mr. GUBSER. Mr. Chairman, I move to strike out the last word.

(Mr. GUBSER asked and was given permission to revise and extend his remarks.)

Mr. GUBSER. Mr. Chairman, when the bill was being considered under the 5-minute rule, I had planned to offer an amendment which would limit loans by the Commodity Credit Corporation to \$25,000. Since I was unable to find language which would not be subject to a point of order, I decided not to offer the amendment.

Had I offered such an amendment it would have been in keeping with my very basic and deep-rooted philosophical belief that the price support program is entirely wrong. I take these few minutes to briefly tell you why I think it is wrong.

Since I have been a Member of Congress we have continually voted more and more money for farm subsidies. We vote public power subsidies, we vote subsidies to local cities and municipalities with which they can build sewerage treatment plants, we have started to rebuild cities through the urban renewal program, and we are talking about aid to education. We continue to subsidize housing, and we talk of subsidizing depressed areas.

May I say that I am not opposed to all of these programs. I have voted for many of them and probably shall vote for others. But, Mr. Chairman, where is this going to end?

I suppose asking that question is reactionary, but it is understandable when you consider my background and the type of life I have led. I was always taught that when you wanted something you went out and you earned it, and you did not run to the Government first to ask for it.

Stop and think about this. The present speaker in the well of the House is 43 years of age. More than 50 percent

of the people of this country are my age or younger. I was 17 in 1933 when this great, tremendous, emphasis upon the solution of individual problems by Government began, and has continued under Democratic and Republican administrations. At the age of 17 I had not thought much about Government. So, I think it is safe to say that over half of the people in this country today have known nothing but Government help; they have known nothing but looking first to the Government to solve their individual and personal problems before they look to themselves. It has become very easy to ask the Government to fulfill our needs—much easier than doing something for ourselves.

Such an attitude has weakened us as a people. We take the easy way out. We pass our debts on to our grandchildren. We endanger our financial stability and inflate our currency. We penalize thrift and industry; we encourage spending and idleness. In this day and age we live in a false paradise of cropless farming and workless pay. At the same time we observe the other nations of the world, where people ask less of their government, catching us in production, and making it conceivable that some time in the not too distant future the United States of America could become a second-rate power.

I have always felt that Congress should lead and should not follow. I have always thought it was our duty to look at our Government over the long pull and to do what is best for this Nation over the long pull. But, de we do so by making it possible for our people to take the easy way out and instinctively look to Government first before looking to themselves?

I am sorry to say that Congress apparently has become something like the Las Vegas croupier who watches the political wheel of fortune and makes his payments accordingly.

I sincerely hope that this Congress will soon have the courage to take an honest look, a long and hard look, at the price support system, to realize that it is not in the best interest of the farmers or of the Nation, and to start upon a gradual program of returning farms to farmers and getting the taxpayer out of the price support business.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was one of those who farmed in the twenties and all through the thirties, and we tried during that time just what the gentleman from California [Mr. GUBSER] now advocates. We tried to get along with our agricultural institution without any consideration from the Government whatsoever. Those of you—and I know there are quite a few here—hark back to 1932 and remember when we sold good corn on my farm in Minnesota for 8 cents a bushel or 10 cents and sometimes perhaps a little less. Anybody who went through that period would not get up and make the speech that the gentleman from California just now made. In my opinion he has not gone through the fire, and it is absolutely essential that

the Government prevent the recurrence of such a catastrophe by maintaining a reasonable price support program. It is not only good for the farmers of America; it is also good for the entire economy. And, I remember in that year, 1932, when the total gross income of the people of America was less than \$45 billion. Why? Simply because, as the gentleman from Iowa [Mr. JENSEN] said earlier today, the farm dollar was not there to generate purchasing power.

No, my friends, those who advocate that we can do without price supports at the same time when through the minimum wage and union contracts the Government assures union labor top prices for their work, have a wrong outlook. I think perhaps something is wrong with the line of thinking of some of my friends.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yelled to the gentleman from California.

Mr. GUBSER. I might say to the gentleman who implies that I was not around during the tough days—

Mr. ANDERSEN of Minnesota. I just implied that the gentleman did not go through that crucial period.

Mr. GUBSER. I was most definitely around during that crucial period and remember it well. I might say to the gentleman—and I hate to recite personal history—my grandfather came to this country in 1893 as an immigrant from Switzerland with nothing more than a sachel which he carried with him. He went into debt for a piece of property and entered the farming business. He raised my father and four other children on that piece of property, and I am proud to say that the Gubser family is still farming that same piece of property, farming it well, farming it prosperously, and we have yet to ask for a single dime in price supports from Uncle Sam.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

AGRICULTURAL MARKETING SERVICE
Marketing research and service

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed \$10,000, except for two buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or 3 per centum of the cost of the building, whichever is greater:

Mr. HAGEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman of the committee a question with reference to the language commencing on page 12, line 20, continuing through page 13, line 4. What is the justification for those provisos?

Mr. WHITTEN. Mr. Chairman, 2 years ago there was an effort at the departmental level to strike out some of the practices that had been carried on in the various States and counties. The Congress strongly differed with the action by the Department. We thought the Department had agreed to go along with the preceding year's program. It developed that just prior to our conference report instructions had gone out to eliminate some of those practices. So the committee, in an effort to keep the agreement which we thought had been reached wrote this language in.

The Clerk read as follows:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates, \$15,044,500: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop;

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 15, line 18, after "consumer", strike out "*Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop;" and insert a period.

Mr. VANIK. Mr. Chairman, a few years back they used to say, "An apple a day keeps the doctor away." Well, today the price of apples has skyrocketed so high that it is cheaper to get the doctor. They seem to have placed the apple completely out of the American diet. I do not know what the relationship of the price of apples is to this particular language, but I cannot for the life of me understand why it remains in the bill. I understand it has been in previous legislation at the request of the apple producers.

Mr. HORAN. If the gentleman will yield to me, it is not in here at my request, I can assure the gentleman. If you knock it out, that is all right with me.

Mr. VANIK. I am glad to have the able support of the gentleman.

Mr. HORAN. It does not mean a thing in the world. The only warehouse receipts that mean a thing are for the commercial crop. So we can shorten this debate a long ways if we vote right now.

Mr. VANIK. If there is no objection to the amendment, I am willing to cease discussion of it.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman.

Mr. WHITTEN. I am not in a position to accept the amendment on behalf of the committee. May I say that this language was put in here at the instance of the applegrowers?

Mr. HORAN. That is not the case. It is for the applegrowers of a certain section.

Mr. WHITTEN. I was in the midst of saying that certainly it was not at the instance of my friend who is on the subcommittee. I certainly have no personal knowledge of it. The argument offered for it was that just about the time the producers had apples for sale, they began to estimate the crop so high that the farmer did not get anything for his apples. Later it developed that these guesses or estimates were unsound and that there was a shortage, but by then the farmer had gotten rid of his apples. I do not have any personal knowledge of it, but as long as the claim is that they estimate the supply tremendously high to get them out of the farmers' hands and to get a higher price for them, and as long as the argument is on the other side, I would rather that the matter be gone into a little more thoroughly than just to grab it at the moment. That is the story.

Mr. VANIK. Mr. Chairman, I want to point out that the very language I seek to remove from this bill is argued for in the report on page 20 where they say:

For example, the development of objective methods of forecasting and estimating production of cling peaches appears to be an important matter in the peach-growing areas of the country.

I want to know the difference between these two fruits; that is, if it is desirable to have this for one, why not have it for the other? Why should there not be a uniform policy with respect to fruit?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the chairman.

Mr. WHITTEN. I would like to say with respect to the language just pointed out, we are trying to set up a workable program. But I would like to say now that I have no personal knowledge of the particular instance. There was an incident reported where this language was questioned. With that much diversity involved in it, I think the matter ought to be gone into a little more thoroughly before this is stricken out.

Mr. HORAN. I will accept your amendment right now. You cannot store peaches so your reference to peaches has no relation to apples. It is true that with respect to winter fruits such as winter pears and apples, they do have warehouse accounting on the first of December and it has a commercial value, but only to the commercial crop. And they are excepted in this language, and it will continue because it is valuable to the producer and it is a safeguard to the small farmer. Yet, a lot of small farmers produce apples and winter pears.

Mr. VANIK. As I look at this general appropriation bill, my attention has been brought to the special provisos for apples which, it seems to me, have no place in an appropriation bill and I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

The Clerk read as follows:

FOREIGN AGRICULTURAL SERVICE

Salaries and expenses

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$3,518,300: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$2,493,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32: *Provided further*, That, in addition, not to exceed the equivalent of \$1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall be available for expenses of the agricultural attaché service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104 (a) of that Act.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this to ask the committee for a little further explanation about this section on Foreign Agricultural Service on page 21 and page 22 of the committee report. There is some discussion there, but the one thing I am particularly interested in is this statement:

The Department has been requested to develop information on prices for which Public Law 480 commodities are sold by foreign governments. The committee would appreciate receiving this information as soon as it is available.

I presume from that that the committee has not been getting that information before. It is of real concern to me that they have not been.

Mr. WHITTEN. May I say to the gentleman that I agree with him and that is the situation. Early in our hearings, we asked the Department for this information and when we closed our hearings, we still had not obtained it. Involved in this is Public Law 480, as I understand it. One of the chief arguments is that it will increase world use. I will not mention the name of the country. It is no secret but I will not repeat it. In our own investigations, we found that at least one country added 70 percent to what we get for the commodity before they resell it to their own people. We are interested because we think if this is going to be sponsored in the name of increasing the use, the only way we can tell whether it is increasing the use is to see the rate at which the government that we give it to sells it to its own people. But they promised us the information, but at the close of the hearings we still had not received it.

Mr. CURTIS of Missouri. I want to commend the committee for this. As a matter of fact, this whole subject of Public Law 480 funds to me is very distressing. I think the Congress has not been doing its job in insisting that the executive department tighten up on these things. Furthermore, I submit that we still just go through the motions each time we discuss the foreign aid appropriation bill when we do not get Public Law 480 funds under the Committee on Appropriations. The bulk of these Public Law 480 funds still are not under the control of the Committee on Appropriations and of the Congress.

Mr. WHITTEN. May I say again, if the gentleman will read our report, we call on the Department next year for a report on the use of foreign currencies in connection with agriculture and the same detailed basis on which they do things with American dollars. It is a start toward getting a chance to see that we get the real information.

Mr. CURTIS of Missouri. Yes, and I noticed that in a prior paragraph, which was the other thing that I underlined and wanted to ask some questions about. You are asking for full justification and I think it is a tragedy that here the Congress is at this date, after this law has been in effect for so many years, still not knowing how the funds are spent. We are now talking in terms—what is this around \$5 billion or \$6 billion? and possibly more—and certainly with the excess commodities that we have which will generate more funds we are talking in terms of over \$10 billion, perhaps. All these moneys can be used for the very purposes that we so meticulously—or not so meticulously, perhaps—go through the foreign aid appropriation bill to check. These foreign aid funds are going out this back door and billions of dollars are spent for the same purposes that the foreign aid appropriation bills cover.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be printed in the RECORD, and be open for amendment at any point. There are several reasons why we are very hopeful of completing this bill this afternoon, and it should not take but a few minutes, if this request is granted.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The remainder of the bill is as follows:

Commodity Exchange Authority

Salaries and Expenses

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), \$909,500.

Soil bank program

Conservation Reserve

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to carry out liquidation activities for the acreage reserve program, \$310,000,000: *Provided*, That not to exceed \$18,000,000 shall be available for administrative expenses, of which not less than \$14,400,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment

Act of 1938": *Provided further*, That no part of this appropriation shall be used to enter into contracts with producers which, together with contracts already entered into, would require payments to producers (including the cost of materials and services) in excess of \$325,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period: *Provided further*, That no part of these funds shall be used to enter into contracts to pay compensation to any individual or corporation in excess of \$3,000 per annum: *Provided further*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants: *Provided further*, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85-459 shall not be applicable to contracts hereafter entered into: *Provided further*, That no part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year.

Commodity Stabilization Service

Acreage Allotments and Marketing Quotas

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393), \$39,135,000, of which not more than \$6,886,300 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$71,500,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed \$2,297,426.

Federal Crop Insurance Corporation

Operating and Administrative Expenses

For operating and administrative expenses, \$6,376,700.

Rural Electrification Administration

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

Loan authorizations

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, \$136,000,000; and rural telephone program, \$79,000,000; and additional amounts, not to exceed \$25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

Salaries and expenses

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000.

Farmers' Home Administration

To carry into effect the provisions of titles I, II, and the related provisions of title IV

of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000-1031); the Farmers' Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C. 436-439); the Act of August 28, 1937, as amended (16 U.S.C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z-1 and z-10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033-1039), as follows:

Loan authorizations

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, \$24,000,000, of which not to exceed \$2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, \$180,000,000; the Act of August 28, 1937, as amended, \$2,000,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That an additional amount, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1960 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones Farm Tenant Act, as amended, not to exceed \$5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended.

Salaries and expenses

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers' Home Administration, and other administrative expenses, \$30,300,000, together with a transfer of not to exceed \$1,000,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1005(b)), and section 10(c) of the Act of August 28, 1937, as amended.

Office of the General Counsel

Salaries and expenses

For necessary expenses, including payment of fees or dues for the use of law

libraries by attorneys in the field service, \$3,115,300.

Office of the Secretary

Salaries and expenses

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$2,881,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U.S.C. 1001).

Office of Information

Salaries and Expenses

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,431,665, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417) and not less than two hundred and thirty-three thousand and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Library

Salaries and Expenses

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, \$900,000.

TITLE II—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carryout of the programs set forth in the budget for the fiscal year 1960 for such corporation or agency, except as herein-after provided:

Federal Crop Insurance Corporation Fund

Not to exceed \$2,330,000 of administrative operating expenses may be paid from premium income.

Commodity Credit Corporation

Restoration of Capital Impairment

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1958, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), \$1,435,424,413.

Limitation on Administrative Expenses

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corpora-

tion from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$39,600,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

Reimbursement to Commodity Credit Corporation for Costs of Special Activities

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, 1959 (including interest through date of recovery), as follows: (1) \$63,875,000 under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642); (2) \$104,508,000 for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724); (3) \$968,016,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701-1709); (4) \$35,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446); (5) \$129,000,000 for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856); (6) \$1,056,500 for transfers to the appropriation "Diseases of animals and poultry" pursuant to authority contained under such head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; and (7) \$1,607,000 for transfers to the appropriation "Marketing research and service" pursuant to the Act of August 31, 1951 (7 U.S.C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U.S.C. 473a, 511d).

TITLE III—RELATED AGENCIES

Farm Credit Administration

Not to exceed \$2,125,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

Federal Farm Mortgage Corporation

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be declared as dividends which shall be paid into the general fund of the Treasury.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to

those specifically provided for, of not to exceed four hundred and twenty-five passenger motor vehicles, of which four hundred and twenty-three shall be for replacement only, and for the hire of such vehicles.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 403. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 404. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any predication, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 405. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 406. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Act of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793), shall be available for contracting or grants in accordance with said Acts.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

This Act may be cited as the "Department of Agriculture and Farm Credit Administration Appropriation Act, 1960".

The CHAIRMAN. Are there any points of order to this portion of the bill?

If there are no points of order to this portion of the bill, are there any amendments to this portion of the bill?

Mr. AVERY. Mr. Chairman, I have an amendment at the desk on page 27.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. AVERY: Page 27, line 18 strike out the period, add a colon, and insert "*Provided further*, That no funds appropriated in this section shall be used to process a Community Credit loan which is in excess of \$50,000."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. AVERY. Mr. Chairman, I appreciate the action of the gentleman from Mississippi in reserving his point of order. I might add that it appears to me, and I do not regard myself as a constitutional lawyer, but it appears to me that certainly this amendment would be germane to the bill, and as I read the bill, it seems to me to be in perfect sequence to the language that precedes my amendment on page 27.

If there is any other way to accomplish what I seek to do, and that is to limit these large corporation farm loans under the Commodity Credit Corporation Act, then I would certainly be amenable

to amending my proposal or to approach the problem some other way. This appears to me, however, to be the only approach to it and certainly I would beg the committee to give serious consideration to my amendment at this time.

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AVERY. Are we speaking now to the point of order or to the merits of my amendment?

The CHAIRMAN. The gentleman from Kansas was recognized in support of his amendment; so he is speaking on the merits of his amendment. Should the gentleman from Mississippi press his point of order the Chair would be glad to hear the gentleman from Kansas on the point of order at that time.

Mr. AVERY. Mr. Chairman, on every amendment that has been submitted from the floor of the House we hear the argument that it will do harm to the little farmer. I submit to the committee that if you will study this amendment you will see it is in harmony with the intent of the rest of the bill. You will note that in a previous section we have limited the payment under the ACP program to \$2,500 to any one cooperator. We have limited the conservation reserve payment to \$3,000. Therefore, it seems to me perfectly consistent that we should put a limit on the amount of Commodity Credit loan that will go to any one producer. If the amount \$50,000 is not the right figure I am not wedded to that particular amount, but somewhere along the line there should be a limit as to the size of the loan that would go to any one farmer, especially a corporation farmer.

I refer you, Mr. Chairman, to the CONGRESSIONAL RECORD of February 23, where in the other body a listing of some of the loans was made. I will simply refer to a few of the loans that were approved by the Commodity Credit Corporation in 1957. There are two loans for over \$1 million—one in Mississippi and one in Arkansas—the one in Mississippi on cotton; the one in Arkansas on rice. There was one loan for over \$500,000 to California on cotton; 12 loans for over \$250,000 on cotton; and there were two loans of \$250,000 on rice.

And this is the surprising thing now for wheat—as there has been considerable criticism directed at wheat. The largest wheat loan I can find in this listing is for \$330,000-plus, for the Campbell Farming Corp. in the State of Montana. If this is the kind of program you want, for these large loans to go to these corporation farms and large producers instead of to the family type farm, that is one thing, but that is not the purpose for which the program was initiated. Its purpose was to aid the family farm and not the gigantic agricultural enterprise, the large corporation.

Regardless of the economics of the situation, these large loans are not in the public interest. It cannot help but put the Department of Agriculture in a more unfavorable position economically than it is now. And you cannot refute this: As long as we have a commitment to sup-

port these commodities we are going to be bound morally and legally obligated to pay storage on them until they can be disposed of in some way. Let me call your attention to the fact that we are going to have a storage bill of about \$1,500,000 a day by the time the harvest is in for 1959. That is what this storage bill will be, something in the neighborhood of \$500 million, or one-tenth of the entire appropriation for the Department of Agriculture is going to be allocated to storage alone. If we are going to appropriate X number of dollars for the Department of Agriculture, let us give it to the farmers and not to the commercial storage interests.

I urge the adoption of this amendment.

The CHAIRMAN. Does the gentleman from Mississippi desire to press his point of order?

Mr. WHITTEN. I would like first, Mr. Chairman, if it is agreeable to the Chair, to answer the gentleman's statement in support of his amendment and then make the point of order.

The CHAIRMAN. The Chair would suggest that the point of order should probably be disposed of first.

Mr. WHITTEN. Mr. Chairman, the point of order I make is this: The Commodity Credit Corporation is chartered and its charter gives it certain authority. The language which the gentleman offers is legislation.

We are here dealing with the administration of the Commodity Credit Corporation in this bill. The gentleman's limitation would apply to what the Corporation could do and would have the effect of amending the charter of the Commodity Credit Corporation.

May I say in addition to that, the approach that the gentleman makes sounds very good. But actually it would destroy, in my opinion, the farm program that we have left and would be many, many times more expensive to the Treasury than the existing situation. I would like to explain why. If you limit the amount of loans in the program for stabilizing income and stabilizing prices, the Government is going to get its money back through sales of the various commodities. But the minute you put a limit on the production that can go into the Commodity Credit Corporation, and leave the rest out, that part that is out is going to get the business, domestic and foreign, and the Government will be left with the rest. You have to keep it in or take it out.

There are lots of things that we need to do to change and improve the agricultural program. We have tried to touch those things in this bill. If this amendment were put into effect, that part that is out would get all of the domestic and foreign markets, and the part that the Government has would not be sold.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that the gentleman is discussing the bill, not the amendment.

The CHAIRMAN. The Chair has indicated to the gentleman from Mississippi that he would prefer to dispose of the point of order. The Chair would further point out that the time consumed on the point of order will not be charged to the gentleman, whereas the time consumed in speaking on the merits of the bill would.

Mr. WHITTEN. Mr. Chairman, I would like to point out again that this amendment would have the effect of changing the authority of the Commodity Credit Corporation under its charter.

I respectfully submit the amendment is legislation on an appropriation bill and imposes restrictions not included in the law.

The CHAIRMAN. Does the gentleman from Kansas desire to be heard on the point of order?

Mr. AVERY. Yes, Mr. Chairman. I would like to ask our distinguished chairman of the subcommittee, Does the language of my amendment differ materially from the proviso that precedes it on page 27? It seems to me they are all directed against the basic legislation. My amendment, to me, would appear just as appropriate as the amendment the gentleman, himself, wrote in the bill. I would not think he would want to raise a point of order against his own language.

Mr. WHITTEN. Mr. Chairman, if I may be heard, the provisions the gentleman refers to have reference to funds in this bill and this paragraph. The gentleman's amendment would go to the authority of the Commodity Credit Corporation to use its capital which is not provided in this bill. The Corporation normally operates through borrowing authority granted in other legislation.

The CHAIRMAN (Mr. KILDAY). The Chair is prepared to rule.

The gentleman from Kansas has offered an amendment, which has been read by the Clerk. The gentleman from Mississippi makes the point of order against the amendment that it is legislation on an appropriation bill.

The Chair would point out that the amendment by its language is a restriction upon the purpose for which the funds appropriated in this bill may be used.

The Chair would point out further that even though there should be an existing liability on the Government or should be through other legislation granting powers to an organization of the Government, still a provision in an appropriation bill limiting the purpose for which the funds appropriated in that bill may be used is a limitation and not legislation.

The Chair, therefore, overrules the point of order.

Does the gentleman from Mississippi desire to be heard now on the merits of the amendment?

Mr. WHITTEN. Mr. Chairman, I shall not take too much time, but I would like to point out again that there is a great diversity of viewpoints as to what needs to be done with reference to the farm situation. Every farm organization has a different view. The Department has a different view. I have a dif-

ferent view. But I am sincere in saying that the gentleman from Kansas is doubling the cost to the Government, in my opinion, and is trying to write the destruction of the present farm program on the floor in these few minutes. Now, I just doubt that he would want to accept that kind of responsibility. In our bill we have tried to bring about improvements to the best of our ability. I do think that this goes sufficiently far, so that we should defeat the amendment and present the matter to the legislative committee to work it out.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. GROSS. In what way will this destroy this program?

Mr. WHITTEN. If you place a limit on how much production can go into the Commodity Credit Corporation, you thereby leave outside the program all the production above that. The minute you leave out all the production above that, the production will increase, in connection with your domestic and foreign markets, and then you are left with the part that goes into Commodity Credit stocks. I am not trying to say that I know all the answers, but I say that is what you will get into, and it will require more study.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, you are not going to limit very much production on the basis of payments of \$50,000 or less, will you?

Mr. WHITTEN. It says "loans."

Mr. GROSS. Well, loans. All right.

Mr. WHITTEN. If this were payments, it might be much less. And, believe me, this thing is too complex to do it this way, and I hope the amendment will be defeated.

Mr. BALDWIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it seems to me that this amendment would be the biggest help that we could possibly give to the small, individual, family farmer. Every family farmer is anxious to avoid some of the adverse publicity that is being created about the farm program, and one of the biggest sources of this publicity is when the statistics come out every year that various farm corporations got \$1 billion or \$500 million under this program. There is no way possible that we could help the small, family farmer in a more effective way than to stop these big loans, and bar those above \$50,000, and say that it applies only to individual family farms.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. GUBSER. I would like to say that prior to this debate I was contemplating a similar amendment and requested figures from the Department of Agriculture for the crop year 1958, and I think they might shed light on this situation. If the amendment read \$25,000 instead of \$50,000, here would be the number of loans affected. This is for wheat, soybeans, grain sorghums, and rice. And, I must say that this does not include the

area of Wisconsin, Iowa, and Missouri. Those were not included. In 1958, 450,-922 wheat loans and only 788 were in excess of \$25,000. Soybeans, 66,702 loans and only 84 in excess of \$25,000. Grain sorghums, 180,538 and only 144 in excess of \$25,000. Rice, 3,763 loans and only 213 in excess of \$25,000. Now, I called off a list of 701,925 loans and there were only 1,229 of them that were in excess of \$25,000. I remind you gentlemen that the amendment is for \$50,000, and that figures out but eighteen one-hundredths of 1 percent of the Commodity Credit Corporation loans affected by the gentleman's amendment if it were \$25,000.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from New York.

Mr. ROONEY. I have listened to this debate on the pending amendment offered by the distinguished gentleman from Kansas, and it occurs to me that we are not talking about give-aways of the taxpayers' money but that we are talking about loans. Would somebody advise us as to what the record of repayment of loans in this program is?

Mr. AVERY. Mr. Chairman, if the gentleman will yield, I could shed some light on this. I will say to my friend from New York that four corporations lost to the Commodity Credit Corporation \$274,000 in 1957. That was the loss the Government took on their cotton loans. Every bale of cotton in 1957 lost to the Commodity Credit Corporation \$22.30.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Minnesota.

Mr. NELSEN. I wish to comment regarding the amendment. My only regret is that it is not \$25,000 instead of \$50,000. Now, it is true that things have been called to our attention relative to the administration of this particular amendment, but I want to call attention to the fact that one of the most devastating things that is taking place regarding the farm program is the fact that these large loans are being made, and public opinion is turning on the entire program because of these abuses.

I think if the amendment were adopted the Congress could put some teeth in the law that would make it possible to do a better job of administering it. I believe this is a good amendment.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. CURTIS of Missouri. Mr. Chairman, I want to commend the gentleman from Kansas for bringing this matter before us again. We have had these amendments before, and some of us consistently have put in the RECORD each year the amount of payments that are made on these "loans." And when the term "loan" is used, let us put it in quotes, because while it has certain aspects of a loan, it is a very strange creature, because if you do not get your money out, you turn the crops over to the Government. So it really is not a loan.

Mr. Chairman, I think this is an excellent amendment and should be supported by all those who really want to see something left of this farm program, who want to turn it over to the small farmer, for whom most people are pleading.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is not my thought to prolong this discussion. There are some very serious things involved in this amendment. Besides bypassing the legislative committee which has considered these particular amendments, it is a matter of the operation of the Commodity Credit Corporation itself. The only protection—and I say this advisedly—that the livestock and poultry producers have today is the reservoir of stocks that go into the Commodity Credit Corporation. Every person who produces livestock and who produces poultry products throughout this country ought to be concerned with what happens to the Commodity Credit Corporation; because, with the enormous supply of feed stocks that we have on hand, if you turn that loose, the small family farmer will be hurt financially, because he cannot survive in that kind of competition.

This program we have of making these loans—and I repeat that they are loans—is a protection for that kind of farmer. You say there is a very small percentage involved in this matter. Agreed, there is a small percentage involved, but you let these major operators stay out of this program and step up their production, which they can do. Then can you imagine what that is going to do to the supply of stocks in this country?

If the Commodity Credit Corporation cannot act as a reservoir and a governor upon the production that we have and the potential production we have of agricultural commodities, then the small farmers are certainly going to be the ones who are going to suffer. I want to say that in the long run the consumers of this country are going to have a difficult time once they let the control of the production of agricultural commodities get out from under the control of the small family-operated farms. When you do that you are going to have a really difficult time.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman.

Mr. AVERY. It appears to me that the gentleman made a pretty fine speech in support of my amendment. I cannot conceive exactly how he would anticipate that the large operator, placing his commodities on the open market, would in any way affect the price level, at least not materially. The gentleman knows, as well as I know, and everybody else knows, that it is the support price that maintains the open market price. The number of bushels or the number of bales from the corporation farm or large producer that could go on the open market would not affect it. It would affect it less than 10 percent.

I want to remind the committee that we are escaping the responsibility of storing these commodities if we are not

committed to a support price. We do not know how long, as we have had wheat in storage for 5 years.

Mr. MARSHALL. Mr. Chairman, I cannot yield further. I want to say this to my good friend. I am saying that when Commodity Credit Corporation ceases to be a reservoir for production of crops eligible for loan, then with the potential supply of corn, with the potential supply of feed stocks, with the potential supply of wheat that is going to be dumped onto this poor fellow out here, who is gathering his eggs, trying to raise his hogs and milk his cows, he will be in a most serious position.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman.

Mr. MAHON. Mr. Chairman, it may be that the amendment which is proposed sounds attractive on the surface, but I want to say that I agree with the gentleman from Minnesota [Mr. MARSHALL] that this type of amendment would in the long run be damaging, not just to the larger operator, but to the smaller operator, and would make impossible the successful operation of the program.

I certainly hope that this amendment will be defeated.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman.

Mr. WHITTEN. Mr. Chairman, I would like to repeat the point I seem to have been unable to get over, that the minute you put these big operators out from under the program, you are giving them the incentive to increase production, world without end, to the point of getting what market there is. This matter is much more complex than to make it possible to write the legislation on this floor, in my sincere opinion.

Mr. Chairman, I hope this amendment will be defeated.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. ROOSEVELT. Because I am not a farmer, I wish you would try to explain something to me. If the amendment was adopted, would not the large operator, being unable to get a loan, would he not be likely to go out of business altogether and, therefore, would you not have less?

Mr. MARSHALL. I would say to my good friend that that would be the last thing in the world that would happen. It is not the large operator who would go out of business, but it would be the small operator who would face financial difficulty.

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me that this is one of those amendments that has a great deal of superficial attraction. If we were writing a new farm bill, many of us on this side would like to see a family farm-type feature of this sort added to our farm program. But, we are at the same time grappling with a tre-

mendous overstock of feed grains in corn and in wheat and far more corn is coming next year. The point that the gentleman from Minnesota was making so well needs to be clearly understood—that the recourse loans is the device by which you get such acceptance as you now get of acreage controls—and granting that acreage controls are inadequate and I wish we had bushel control—but, if you say that the large operator is not going to have any chance to use these loans, then he will offer to sell to the CCC price and he will come in a half cent or a cent below and he can sell all that he has. This is what happened with potatoes 10 years ago and he will sell his crop first. More than that, since he no longer has any Federal program to which he is tied, he no longer is under any obligation to produce no more than a guaranteed amount and since he has a support price, in fact, only a cent or so below the CCC support price, he can sell his unlimited production and you will have far greater surpluses than you have today. This is the kind of amendment which has great superficial appeal. I wish I could vote for the principle that lies behind it, and in another guise I think I could. But, as it stands here this afternoon, it seems to me to be a new way of opening another dike through which far more surpluses will flood the market.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. GROSS. The big corn producer today in this year can grow unlimited amounts of corn, and the fact is that he might be paid \$1.09 or \$1.10 a bushel and never conform to any control.

Mr. JOHNSON of Colorado. The gentleman raises a question about the farm program that the Secretary put to the corn farmers and the corn alternatives which were given to them were of so slight value that any corn farmer with reasonable sense would choose the unlimited output. We are going to have corn coming out of our ears as a result. The exemption of the operator at \$50,000 from the program makes no difference to the gentleman from Iowa, but I come from a State where we produce not corn but wheat in my State and the result would be exactly what the gentleman from Minnesota said it would be. If you want to get us in the same boat that you are in, then this is the way to do it.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. AVERY. Will the gentleman explain to me as long as we have marketing penalties as distinguished from acreage allotments, will the gentleman explain to me why and how it possibly could be a great increase over the present production of wheat under my amendment?

Mr. JOHNSON of Colorado. I do not see how you can ask a man to comply with a law that would deny him the availability of the benefits of the law.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. BREEDING. I would like to answer my colleague from Kansas on that question. I am a wheat farmer and produce more than \$50,000 normally of wheat per year. The minute they put that restriction on me, certainly I will go out and grow more barley and those crops that are not controlled and grow as much as I want, and I will produce more grain than I produce at present.

Mr. AVERY. The gentleman's alternative to diverting acreage to other cereal crops would not be any different than from the present circumstances. The gentleman can do that now. If he does not like the acreage allotment, there is nothing to prevent the gentleman now from planting the other crops and diverting the acreage.

Mr. BREEDING. The gentleman is forgetting that the support price, the loan price, has created an umbrella over your cash market, and certainly the cash market is a lot higher than the support price.

Mr. AVERY. That is what I am trying to say. Your umbrella is still going to be there. If the big fellow puts his production on the open market in excess of \$50,000, it is not going to depress the open market because it is the support price that maintains the open market.

Mr. BREEDING. You are going to have more grain on the open market than we presently have.

Mr. AVERY. Oh, of course, the gentleman is absolutely right.

Mr. JOHNSON of Colorado. This, I think, is the key point, Mr. Chairman. We already have a year and a half supply and if the gentleman's motion prevails in place of having a chance that we expect to have to do something in respect to reducing the oversupply of wheat, this is a device to increase the oversupply.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. AVERY].

The question was taken; and on a division (demanded by Mr. AVERY) there were—ayes 42, noes 62.

Mr. AVERY. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. AVERY and Mr. WHITTEN.

The Committee again divided, and the tellers reported that there were—ayes 49, noes 59.

So the amendment was rejected.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 19, line 17, strike out the period and insert "or based upon its reasonable market value as agricultural land, whichever is less."

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. VANIK. Mr. Chairman, I do not expect to take five minutes on this amendment. I want to point out what it does. The present language of the bill, line 12, page 19, the section dealing with conservation reserve, reads as follows:

No part of these funds may be used to enter into contracts for a period in excess of

five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year—

I simply add this language—

or based upon its reasonable market value as agricultural land, whichever is less.

In other words, it provides an option for reaching a lesser amount than is provided in the suggested recommendation of the committee, which was arrived at after long and extensive deliberation.

Mr. WHITTEN. May I say to the gentleman that this amendment and the language contained therein invites what we have been reading about in the last 4 or 5 days. I wrote the language last year, trying to do what the gentleman wants to do. When it went out to the county committees they said, "Pay attention to land values."

I agree with the objective of the gentleman, but we have had this year's experience along the same line, and it results in just the opposite to what he and what I want to see done.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. VANIK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk, to strike out of the bill section 405.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 30, lines 15 through 20, strike out section 405.

Mr. VANIK. Mr. Chairman, this section of the bill reads as follows:

SEC. 405. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Mr. Chairman, this language in the bill should never have been placed in this appropriation bill because it amounts to a protective tariff measure for the cotton and twine industry. I think it should be deleted. I originally had an amendment which sought to strike out section 404 that I thought had no place in this bill. I have reduced the amendment to the one section, and I urge that the bill be improved by striking out section 405.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say that this section was put in the bill before my service on the committee. The Federal Government was involved in all the problems that we had with cotton at that time. The Government was buying cotton from foreign countries, and at that time it was felt that this provision should be inserted.

The committee has felt that it should remain in the bill. The gentleman makes the point that it should go out. However, the reasons that existed for inserting it originally still exist, we still have our problems. This is basically in line with the question that was raised about using American automobiles. I

do not think it is so bad to use American products, and that is what it would require.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. GATHINGS. Mr. Chairman, permit me to voice my strong objection to any proposed violation of the principle of equal treatment under the law of all citizens. And, limitation of payments under the CCC orderly marketing programs, does violence to that principle. The CCC loan program is made available to farmers who grow controlled and uncontrolled crops. It differs from the voluntary type of programs.

It is absolutely necessary that we preserve the principle of fair treatment and that we do not destroy the orderly marketing program in an effort to penalize that farmer who, by virtue of hard work and success, has managed to enlarge his holdings. He and the tenants who work for him are entitled to the same treatment under Federal programs as any other.

We recognize this principle under our tariff laws which are equally beneficial to the small manufacturer and to the large Du Pont-size operation. We recognize this under the principle of postal subsidy which is the same for the large nationally-distributed slick paper magazines as for the small rural weekly newspaper. There is no statute of limitation there.

There should be none in our agricultural program.

But, although principle alone justifies this stand—the rule of reason also must prevail. If limitations are imposed on the larger farm operators we will destroy the orderly marketing procedures for which the program is devised. Unless we can adequately handle the great majority of the commodity harvest, then the little farmer and the big alike will lose all benefit of the program which permits him to be protected against market gluts at harvest. We must remember that 20 percent of the farmers grow 80 percent of the crops. If we refuse equal treatment to the larger farmers, then we will expect to see the entire system of marketing doomed and a resultant instability in the consumer market.

The press has been carrying accounts recently about individuals and firms who have participated in the Commodity Credit Corporation loan program. Among these participants were some from Arkansas and the district which I am privileged to serve. For example, it is alleged that the firm known as J. G. Adams & Son, of Hughes, Ark., had obtained a CCC loan in the amount of \$420,343.70. The news items leave the impression that the Adams firm had obtained a subsidy from the CCC, or from the U.S. Government. That is a misapprehension that ought to be clarified. I would like to present some facts with respect to these transactions. A telegram was received by me from Mr. Charles Adams, which reads:

In regard to the recent statements that major benefits under the Government price-support program have gone to the very large

corporate operations, I give you below the following information:

On cotton pledged for the loan and withdrawn with dollar amounts involved on the 1957-58 operations of J. G. Adams & Son, Hughes, Ark.:

Total bales pledged to the loan, 3,024; gross amount \$420,343.70.

Total bales withdrawn from the loan—of the 3,024 put in—2,706.

The amount comes to the sum of \$385,121.01.

The interest paid by J. G. Adams & Son with respect to that cotton was \$2,871.82. The total left in the loan was 318 bales.

So almost 90 percent of the cotton had been withdrawn by Adams & Son and sold. Adams & Son paid the carrying charges as well as the interest on the transactions. So there was no subsidy and could not be unless some of this cotton, after title passed to CCC was subsequently sold by the Government for less than it cost the agency. The remaining 318 bales of cotton are held subject to the order of Adams and if Adams wants to sell that cotton it could withdraw the balance of 318 bales before the takeover date by the Commodity Credit Corporation.

The CCC program on cotton, as well as on these other storable commodities, is a program that means for the orderly marketing of that commodity. It goes into that loan during the harvest season. The farmer puts it in there during September, October, and November, and he withdraws it from the loan during the lax season, January, February, or March. So it is a great protection to the little farmer as well as to the big farmer, because the big farmer takes advantage of it since he withdraws it from circulation, and, therefore, it stabilizes the price at a time when the crop is moving at harvesttime.

I want to call attention to another operation. The Miller Lumber Co., at Marianna, Ark., is alleged to have participated in the CCC to the extent of \$319,000. This farming operation place some 1,575 bales of cotton in the CCC program for the purpose of orderly marketing of the commodity at a more propitious time. Of this amount, all but one bale was redeemed through payment of interest and carrying charges, and sold out of the loan. There was only one bale left of the Miller Lumber Co. cotton according to the information furnished by this firm.

The Producers Rice Mill, Inc., was in the program for \$1,460,902.11. That is a farmer-owned cooperative established for the purpose of drying and milling rice of the members of the cooperative. There are about 400 rice farmers who are members of this association. That is not one firm. Four hundred farmers participated, since they produced the rice, and those farmers find it more economical to deliver their rice to the mill for handling and to store the rice at the mill, rather than take it back for storage on the farm. This rice, delivered by some 400 growers, is placed in the loan for orderly marketing. Mr. H. M. Alderson, general manager of the cooperative, states that all but about 30 percent of this rice has been sold out of the loan,

with payment of interest and carrying charges made to the Government.

I am opposed to the amendment of the gentleman from Kansas.

Mr. WHITTEN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: On page 27, line 18, strike out the period and insert "Provided, further, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000."

Mr. WHITTEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I demand the yeas and nays.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ISRAEL INDEPENDENCE DAY

(Mr. CURTIS of Massachusetts asked and was given permission to address the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued May 20, 1959
For actions of May 19, 1959
86th-1st, No. 80

Agricultural appropriations.....	10,28
Alaska.....	12
Appropriations.....	4,10,17,28,40
Area redevelopment.....	26
Banking.....	15
Cooperatives.....	21
Cotton.....	23
Credit unions.....	31
Dairy industry.....	25
Eggs.....	27
Electrification.....	6
Grain storage.....	45
Farm loans.....	30
Farm program.....	22,34,43
Foreign aid.....	18,39
Foreign currencies.....	3
Forestry.....	7,13,20
Gasoline tax.....	35
Holidays.....	44
Honey.....	32

Housing.....	16
Industrial uses.....	37
Inflation.....	24
Labor standards.....	8
Marketing.....	32
Military construction.....	50
Milk.....	47
Peanuts.....	48
Personnel.....	36,44
Prices.....	41
Reclamation.....	5,23
Research.....	16,46
Small grains.....	9
Subsidies.....	29
Surplus commodities.....	42
Tobacco.....	2,49
Transportation.....	14
Vehicles.....	36
Water.....	14
Wheat.....	1,11,19,33,38

HIGHLIGHTS: Senate committee reported: Wheat price support bill. Tobacco price support bill. House committee approved wheat price support bill. House debated housing bill. Rep. Broomfield introduced and discussed farm bill. Rep. Langen urged full parity for small grain farmers. Rep. Cooley urged defeat of proposed amendment to USDA appropriation bill limiting CCC loans. Sen. Murray and other Sens., and Reps. Anderson, Mont., and Burdick introduced and Sen. Murray discussed bill to extend FHA's authority to make refinancing loans and emergency loans. Sen. Humphrey introduced and discussed wheat price support bill.

SENATE

1. WHEAT. The Agriculture and Forestry Committee reported during recess, May 18, an original bill, S. 1968, to modify acreage allotments and marketing quotas for wheat (S. Rept. 295). p. 7513
2. TOBACCO. The Agriculture and Forestry Committee reported without amendment S. 1901, to modify price support requirements for tobacco (S. Rept. 297). p. 7518
3. FOREIGN CURRENCIES. The Armed Services Committee reported with amendment H. R. 5674, to authorize certain construction at military installations, including provisions for the use of foreign currencies received under Public Law 480 for foreign military housing (S. Rept. 296). p. 7518

4. APPROPRIATIONS. A subcommittee of the Appropriations Committee ordered reported to the full committee H. R. 5805, the Treasury-Post Office appropriation bill for 1960. p. D369
5. RECLAMATION. Passed with amendment S. 72, to authorize Interior to construct the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project. (pp. 7603-07) Sens. Williams, Del., and Lausche opposed passage of the bill, contending that this new acreage would increase the production of agricultural commodities already in surplus supply. (pp. 7605-07)
Sen. Moss expressed satisfaction over the initiation of construction of the Stanaker Dam, Utah, and stated that it "will provide supplemental irrigation for about 14,700 acres of productive land which is constantly threatened by water shortages." p. 7556
6. ELECTRIFICATION. Sen. Gruening urged the development of hydroelectric power facilities in Alaska, and inserted a newspaper editorial discussing the matter. p. 7582
7. FORESTRY. Sen. Cannon inserted a Nev. Legislature resolution opposing enactment of legislation to establish wilderness preservation areas. p. 7515
Sen. Humphrey inserted a Beltrami Co., Minn., Board of Commissioners resolution urging favorable consideration of the Secretary's recommendations on a program for the development of the national forests. p. 7517
8. LABOR STANDARDS. Received from the Labor Department a proposed bill "to amend the Fair Labor Standards Act of 1938"; to Labor and Public Welfare Committee. p. 7515

HOUSE

9. SMALL GRAINS. Rep. Langen stated that farmers are "not responsible for the surpluses of barley and oats" and that imports of barley in the last 10 years are greater than the surpluses in that period, while imports of oats are "approximately equal to the surplus on hand today," and urged full parity for the small grain farmers. p. 7677
10. AGRICULTURAL APPROPRIATION BILL. Rep. Cooley urged the defeat of a proposed amendment to the 1960 agricultural appropriation bill to restrict to \$50,000 CCC loans to individual producers, stating that it would "destroy the farm program." p. 7678-9
11. WHEAT. The Agriculture Committee "approved the provisions of H. R. 7118, as amended, concerning price supports for wheat, and directed the chairman to introduce a clean bill which will incorporate the language of H. R. 7118 as amended." p. D371
12. ALASKA. The Interior and Insular Affairs Committee reported without amendment H. R. 7120, to amend certain laws of the United States in light of the admission of Alaska into the Union (H. Rept. 369). p. 7679
13. FORESTRY. The Government Operations Committee reported with amendment S. 900, to amend sec. 204 (b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of GSA to pay direct expenses in connection with the utilization of excess real property and related personalty (H. Rept. 368). p. 7679

14. WATER; TRANSPORTATION. Received 4 reports made by the Chief of Engineers, Department of the Army, on the Great Lakes Harbor Study -- interim reports on the Ashtabula Harbor, Ohio, (H. Doc. 148); on Calumet Harbor, Ill. and Ind. (H. Doc. 149); on Duluth-Superior Harbor, Minn. and Wis. (H. Doc. 150); on Buffalo Harbor, N. Y. (H. Doc. 151). p. 7679
15. BANKING. Rep. Brown, Ga., inserted a summary of his bill H. R. 6092, relating to national banks and obligations secured by certain staples and dairy cattle. pp. 7673-4
16. HOUSING. Began debate on S. 57, the housing bill reported out of the Banking and Currency Committee, and H. R. 7117, the Herlong housing bill, both of which presently contain sections on farm housing research. pp. 7624-73, 7674-5
17. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1960. As reported (see Digest 79), this bill includes items for the Budget Bureau, Council of Economic Advisers, President's Advisory Committee on Government Reorganization, and President's management improvement fund. It also contains provisions described in the committee report as follows:

"The bill recommends continuation of numerous general provisions, unchanged from the Act for the fiscal year 1959. There has been deleted the provisions carried in that Act as Section 208, relating to requirements and reports under the provisions of Bureau of the Budget Circular No. A-45, dated June 3, 1952. That Section of the General Provisions had served its purpose and is no longer required.

"The Committee has included language in the bill, section 210, to eliminate annual agency reports to the Committees on Appropriations, the Bureau of the Budget, and the General Accounting Office pursuant to Section 1311 (b) of the Supplemental Appropriation Act, 1955, as to obligated and unobligated balances under each appropriation and fund of the agency. These special reports, required not later than September 30 as to status of balances on June 30 preceding, were a necessary feature of Section 1311 which, for the first time, comprehensively defined an obligation of the Government for accounting, budgeting, and reporting purposes. They have served their purpose and can now be dispensed with.

"The proposition in the bill is to substitute for the present reports a simple report to the Budget Bureau, when submitting requests for appropriations, that statements of obligations furnished therewith consist of valid obligations in accord with definitions in subsection (a) of Section 1311.

"Under the law, the figures on obligated and unobligated balances shown in the annual Budget document are required to accord with Section 1311 definitions. That would continue, as would the requirement that any other statement of obligations furnished by any agency to the Congress or committee thereof include only such amounts as may be valid obligations under the law."

ITEMS IN APPENDIX

18. FOREIGN AID. Sen. Fulbright inserted an article, "Shock Treatment," which favors Sen. Mansfield's proposal for a thorough reexamination of the administration of the foreign aid program. pp. A4166-7
19. WHEAT. Sen. Langer inserted a constituent's letter suggesting that everyone make homemade bread to dispose of the wheat surplus. pp. A4167-8
20. FORESTS. Extension of remarks of Sen. Neuberger commending this Department's report, "A Program for the National Forests," and inserting an editorial discussing this report. p. A4168

Sen. Mundt inserted a constituent's essay, "Conservation of America's Forest," pp. A4174-5

21. COOPERATIVES. Extension of remarks of Sen. Carlson inserting an address by Fred R. Merrifield, Pres., Wichita Bank for Cooperatives, "How Do the Banks for Cooperatives Loans Fit into Growth and Expansion Programs for Farmer Cooperatives?" and stating that the address "explains fully the many benefits that accrue to those who participate in the program of the Farm Credit Administration." pp. A4168-70
22. FARM PROGRAM. Extension of remarks of Sen. Saltonstall inserting an editorial, "As the Farm Program Totters Toward Collapse," and stating that "it is an excellent tribute to a man who has fought hard to improve our farm economy -- Secretary of Agriculture Ezra Taft Benson." pp. A4170-1
Rep. Adair inserted an editorial discussing Sen. Capehart's proposed farm bill. p. A4182
Extension of remarks of Rep. Adair inserting an editorial suggesting that Secretary Benson "be given an opportunity to try his plans to improve our agricultural situation." p. A4188
Extension of remarks of Rep. Broomfield stating that "the scope and waste of our Federal agriculture subsidy program has become a disgrace to our Nation and a tremendous burden upon the pocketbooks of our taxpayers," and inserting an article, "Crop Surplus Is Costing United States Billions." pp. A4202-3
23. COTTON. Extension of remarks of Sen. Proxmire inserting an editorial, "Millions To Reclaim Land for Cotton We Do Not Need," and stating that the editorial expresses "vigorous indignation" at the action taken by the Senate in passing the proposed San Luis reclamation project. p. A4173
24. INFLATION. Sen. Byrd, Va., inserted a bulletin issued by the American Farm Bureau, "Inflation Is Eating Us Up," and his article printed in the Reader's Digest, "Can We Escape A Ruinous Inflation?." pp. A4180-2, A4183-4
25. DAIRY INDUSTRY. Sen. Proxmire inserted a magazine article, "Monopoly in the Milkshed," and stated that it "reports how the mergers and acquisitions by the dairy giants have enabled them to enjoy an unparalleled period of soaring profits during the very period when dairy farmer income has dropped disastrously and housewives have had to pay ever more for milk and dairy products." pp. A4185-7
Rep. Johnson, Wisc., inserted an article discussing provisions of his and Sen. Humphrey's dairy stabilization bills. p. A4204
26. AREA REDEVELOPMENT. Rep. Van Zandt inserted an editorial, "Our Depressed Areas Need Action, Not Runaround." pp. A4187-8
27. EGGS. Rep. St. George inserted a letter from a constituent and stated that "I think that he has come up with an interesting answer, namely, that Government supports only increase the number of the inefficient, penalize, and finally force liquidation on the efficient and hard-working poultryman, and finally take away the farmer's freedom." pp. A4190-1
28. AGRICULTURAL APPROPRIATION BILL. Speeches in the House by Reps. Schwengel and Hoffman discussing this bill, H. R. 7175. pp. A4201-2, A4207-8
29. SUBSIDIES. Rep. Hiestand inserted an editorial, opposing Federal subsidies, including farm subsidies. p. A4209

We are going to have to take some drastic steps to restore freedom to our farmers. Therefore, I am introducing a bill today to get our Federal Government out of the agricultural business as rapidly and as completely as possible.

Under the terms of this bill, the \$9 billion in surplus farm goods controlled by the Commodity Credit Corporation would be frozen for a 2-year period. All buying as well as all selling of these surpluses would terminate at the end of this calendar year. The sole exception to this provision would be that food for the school lunch programs, our welfare programs, homesteaders and other essential public uses would be permitted under the direction of the Secretary of Agriculture.

At the end of the 2-year period the Commodity Credit Corporation would begin to be liquidated and the surpluses disposed of over a period of years at whatever price they will bring on the open market.

For the 2-year period, completely free market conditions for your agricultural commodities would prevail. Our crops would once again be items of trade in the world at prices in competition with those of the rest of the world.

In my opinion, such action will assure us of no large surpluses in agricultural goods. I feel certain that we will be able to use up all of our crops either through our own consumers or through world markets.

The time has come for our Federal Government to permit our farmers to stand on their own feet and shape their own destinies. Our productivity and mechanization in farming would make us very lively competitors in world markets if we are permitted to turn back to a free economy in the field of agriculture.

There is no reason why the taxpayers of the United States should have to carry the farmers around on their backs. Certainly, the farmers do not want such humiliating treatment. They have said so many times.

This is no time for halfway measures. The huge surpluses and the problems created by them can only be solved by cutting out the cause at its roots. Simply pruning of our farm subsidy program will only cause further subsidies to flourish at the expense of our Federal Treasury and our taxpayers.

Recently, the Chicago Daily News printed an article written by Mr. George Thiem on the price-fixing system which has piled up surpluses at a tremendous rate. For the information of my colleagues, the article follows:

TEN BILLION DOLLAR DEBT AND NO END IN SIGHT

(By George Thiem)

Stanley Yankus, the Michigan poultry farmer, revolted against a farm price-fixing system that has piled up nearly \$10 billion of farm commodities in Government hands.

None of the stuff—the wheat, corn, cotton, tobacco, grain, sorghum, etc.—is worth what the Government has invested in it.

Yankus' trouble arose over a 35-acre wheat patch. The Government owns 1.3 billion bushels of wheat. This is enough to last the United States 2 years and more if we don't grow another bushel. It cost \$3.1 billion, or \$2.43 a bushel, of your money and mine.

Canadians recently offered wheat for export at Fort William for \$1.66 a bushel. Wheat of similar grade cost \$2.08 at Minneapolis.

So American exporters get a subsidy to meet cheaper wheat prices in world markets. Price fixing has priced wheat out of the fed market.

Farmers can make more money selling their wheat to the Government than in the open market. The big wheat farmers in the Great Plains have been collecting millions of dollars in subsidies. And under the wheat price support program, wheat growing has spread all over the United States while the taxpayers picked up the tab for the surplus.

The Government told Yankus that under the allotment program he could raise only 14 acres of wheat. But he needed 35 acres to feed his chickens. He defied the wheat program, planted the 35 and had to pay a fine of \$5,000.

Yankus could have gone to his local grain elevator and bought the extra wheat he needed, paying the high fixed price.

But he chose to rebel, thus dramatizing the faults of a program that hasn't worked.

That program is the crux of what we know as the farm problem.

And the farm problem, in a nutshell, is this.

1. We have nearly \$10 billion worth of farm products piled up all over the land and we don't know what to do with them.

2. We taxpayers will be paying more than \$7 billion a year to store the products, to pay subsidies, to run the farm program—and to buy up more surpluses to put on the pile.

3. We will pay a higher and higher price every year on the program as long as it continues, and taxpayers are beginning to ask, "Where will it end?"

4. But if the farm program is thrown out, many small and inefficient farmers face extinction—and many people think the livelihood of the farmer generally may go to pot.

Fewer than 20 million people—about 11 percent of our 176 million population—live on farms. Only 7 or 8 percent of the 20 million are engaged in commercial agriculture.

In 1910 there were 6.4 million farms. Today there are fewer than 4½ million.

A million words have been said and written about how to solve the farm problem. A hundred plans have been brought forward. At the moment these are the ones primarily in the spotlight:

1. Absolute regimentation, with marketing quotas for every farmer that would decree how much he could sell out his front gate.

2. The soil bank, a part of the Government's current program.

3. A long-range program to stop building the surplus, get rid of what we've got on hand now, and then have a free market on farm products.

THE FARM PROBLEM

(Mr. LANGEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANGEN. Mr. Speaker, American farmers are not responsible for the surpluses of barley and oats which are presently costing us approximately \$26 million a year in storage. American farmers have produced no surplus in barley or oats during the past 10 years. Instead, this contradictory situation is a result of our having imported more barley and nearly as much oats since 1949 as we presently have in surplus.

All this may come as a surprise to most of you. I hope it does, for people all over the country are complaining about

the high cost of the farm program and a great deal of the blame, together with penalties in the form of lower price supports, is being placed on the farmer. In the case of barley and oats, this blame and these penalties are not justified, and I would like to set the record straight by pointing to concrete research which our office has carried out using figures from the United States Department of Agriculture to prove this.

Our barley surplus has grown 95 million bushels in the last 10 years, to the point where it now stands at almost 200 million bushels. This surplus costs us approximately \$20 million a year for storage alone. During this same period, 1949-1958, we have imported over 224 million bushels of barley. These imports are not only twice the amount of our surplus growth since 1949, but are also larger than the total barley surplus on hand today.

With regard to oats, our surplus has increased by 85 million bushels in the last 10 years, giving us a total surplus on hand today of almost 375 million bushels. Storage costs for this surplus average roughly \$6 million a year. Imports of oats during this same 10-year period have been over 344 million bushels, which is more than 4 times the amount of the increase in our surplus and approximately equal to the surplus in storage today.

Why this should be I don't know. But it certainly does not seem reasonable that our American farmers should be penalized and blamed for these surpluses and for the cost of storing them, when in reality they have produced less than our average domestic use and export during the past 10 years. And it certainly does not seem reasonable that the effect of these imported surpluses should be reflected in lowered price supports to our small grain farmers, as has recently been done, since these are surpluses for which our American farmers are in no way responsible.

I have introduced legislation which will provide to the small grain farmer the opportunity to achieve full parity prices. In the light of the above, it is even more obvious that this is certainly no more than he deserves. I urge that this legislation be very carefully and sincerely considered.

OIL AND DEFENSE

(Mr. CONTE (at the request of Mr. MICHEL) was given permission to extend his remarks at this point in the RECORD, and to include a newspaper editorial.)

Mr. CONTE. Mr. Speaker, all of us interested in a sensible national policy on oil, and in good relations with Canada, certainly welcomed President Eisenhower's proclamation of April 30, exempting Canadian oil from oil import quotas.

But the President's order, which only affects oil entering the United States by land routes, is only a first step toward restoring free competition and holding down oil prices for the American consumer.

I deeply regret that restrictions on importation of residual oil, so important to New England's economy, were not simi-

larly eased. We in New England look forward to the time when all restrictions on residual fuel oil imports will be lifted.

Last week's order, while it brought relief to the Far West and other areas of the Nation which receive oil directly by pipeline from Canada, was of little help to New England, which is primarily dependent on oil received through the port of Boston.

We in New England will not cease in our efforts to remove the discriminatory import restrictions which are so harmful to our economic welfare.

At this point I wish to include in the RECORD the text of an editorial on this subject which appeared in the Boston Herald for May 4, 1959, under the heading "Oil and Defense":

OIL AND DEFENSE

President Eisenhower's decision to lift the controls on oil imported from Canada effective June 1 is a wise one. The controls should never have been put on in the first place. But the new policy doesn't go far enough.

Mandatory controls were imposed March 11 on imports of crude oil and its principal products regardless of source. The pretext was that oil imports threaten to impair the national security by making it unprofitable for domestic producers to develop new sources here. Actually it was a backhanded way of protecting domestic oil and coal producers from troublesome competition. The chief victims were consumers in areas like New England where imported oil now provides the only cheap fuel. Consumers will pay through the nose in higher fuel costs this winter unless the whole scheme is abandoned.

But the policy also irritated neighboring states like Canada and Venezuela who supplied most of the imports. They didn't like having their oil trade cut. And they liked even less being put off with the transparent excuse that our national security required it.

The President tacitly recognized the absurdity of the defense plea last March when he announced that conversations were being held with Canada and Venezuela looking toward a coordinated approach to the problem of oil as it relates to the defense of the hemisphere. The Canadian agreement is belated acceptance that Canada's oil is as vital to our security as U.S. oil.

Unfortunately the same thinking is not being extended to Venezuela. It should be. In World War II, when sealanes were under constant attack, Venezuela was not a very secure source of supply even for us, just across the Caribbean. But in modern war the chief threat is from the sky, from a blitz of devastating missiles. And Venezuelan oil is far more secure against this kind of destruction than is our own or Canada's.

Also the cold war is making it increasingly desirable that Western Hemisphere oil resources be developed, and this means all such resources. Clifford Frank Owen points out in the latest Harvard Business Review that U.S. oil companies are thinking twice about enlarging their investments in the troubled Middle East.

"Increased investment in the oil resources of the Western Hemisphere—both Canada and Latin America," he says, "provide the opportunity of circumventing the uncertainty of Middle East supplies. In fact, conditions now are highly propitious for a favorable solution of the oil problems that have beset United States-Latin American relations for the past decade."

They would be propitious, that is, if our Government would stop listening to the

self-serving propaganda of the coal interests and really consider our security. The whole quota rignmarole should be dropped. The Canadian concession should be just the first step.

LEAVE OF ABSENCE

By unanimous consent (at the request of Mr. Bass of Tennessee) leave of absence was granted as follows for today, on account of official business to:

Mr. JOHNSON of Maryland, Mr. FRIEDEL, Mr. GARMATZ, Mr. LANKFORD, Mr. FALLON, Mr. BREWSTER.

Mr. YATES (at the request of Mr. LIBONATI), for Tuesday, May 19, 1959, on account of official business.

SPECIAL ORDERS GRANTED

By special consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DIGGS for 1 hour today, to revise and extend his remarks, and include extraneous matter.

Mrs. ROGERS of Massachusetts, to vacate the special order she had for today, and to be allowed to address the House for 10 minutes tomorrow and 10 minutes on Thursday.

Mr. PHILBIN, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. IRWIN (at the request of Mr. MORGAN) and to include a letter.

Mr. BOLAND in three instances and to include extraneous matter.

Mr. LOSER in three instances and to include extraneous matter.

Mrs. KEE in five instances and to include extraneous matter.

Mr. BURDICK and to include extraneous matter.

Mr. COLLIER and to include extraneous matter.

Mr. ADAIR in two instances and to include editorials.

Mr. MCCORMACK in two instances and to include extraneous matter.

Mr. PORTER following Mr. BURKE of Massachusetts in Committee of the Whole.

Mr. JOHNSON of Colorado, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. PATMAN, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. BROYHILL (at the request of Mr. MICHEL), to revise and extend the remarks he made in the Committee of the Whole and include tables and extraneous matter.

Mr. SCHWENGEL and to include extraneous matter.

Mr. RAINS, to revise and extend the remarks he made in the Committee of the Whole today.

Mr. CLEM MILLER, to revise and extend the remarks he made in the Com-

mittee of the Whole today and include certain tables and extraneous matter.

(At the request of Mr. MICHEL, and to include extraneous matter, the following:)

Mr. HALPERN.
Mrs. ST. GEORGE.
Mr. NELSEN.
Mr. WESTLAND.
Mr. CONTE.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 902. An act to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

AGRICULTURE APPROPRIATION BILL -

(Mr. COOLEY asked and was given permission to address the House for 1 minute.)

Mr. COOLEY. Mr. Speaker, on yesterday just before the House adjourned, the gentleman from New York [Mr. TABER] introduced an amendment to the agricultural appropriation bill, which I am very much afraid he did not understand, and I am very much afraid the Members of the House did not understand.

The amendment provides:

Provided, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000.

The effect of that amendment would be to completely and utterly destroy the farm program and it will destroy a program through which we have had orderly marketing. I want to emphasize the effect it will have on the producers of all commodities and when the program is operated through co-ops. For instance, our tobacco program is operated through the Tobacco Stabilization Corporation. The Tobacco Stabilization Corporation borrows money from the Commodity Credit Corporation. If we are restricted to \$50,000 loans we will be out of business overnight. I urge the Members of the House to vote against the amendment. I am certain the gentleman from New York [Mr. TABER] does not want to destroy the farm program.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the gentleman has the floor and he is completely within his rights under the rules of the House to make the statement he is making. But I would like to point out to him that this matter was very thoroughly debated the other day. It is coming on for a vote tomorrow. Very few Members are present and it would seem to me that the gentleman is, I would not say taking undue advantage, but certainly taking something of an advantage of the Members who debated the amendment and who urged its adoption and

who are not present and will not have anything in the Record on the matter by the time the vote comes tomorrow.

I am going to support this amendment and I think the reasons that will persuade the House to adopt it in the vote on the motion to recommit that carries over will be sufficient.

Mr. COOLEY. If the gentleman will look at the record, it was proposed by the gentleman from New York [Mr. TABER], after all the Members had left the House. He is confused, I am sure, with the other Taber amendment dealing with the ACP program.

Mr. HALLECK. The amendment was originally offered by the gentleman from Kansas [Mr. AVERY]. It was thoroughly debated, it was defeated in the Committee of the Whole; so everybody was here listening to the debate. Now then, when the amendment was put in the motion to recommit, of course that was after the Committee had risen, but there would be no further opportunity except as the gentleman has taken advantage of the situation tonight to debate the amendment.

Mr. COOLEY. I am not trying to debate the amendment other than to notify the Members of the House of the dangerous trend of the amendment. I am asking the farm organizations and the Department of Agriculture for an opinion and will have it here by noon tomorrow.

Mr. HALLECK. May I say to the gentleman that if he has not been debating the amendment, then I have not heard a debate in the House. I say it will not destroy the program.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The Chair may say that the gentleman from North Carolina has the floor and has a right to speak on anything he pleases.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Speaker, I would point out that not only would this amendment do what the chairman has just explained it would do if it has any effect at all, but the way it is written it probably has not any effect and it certainly will not do the things that its advocates claim it will do. They tell you that the probabilities of it is to prevent one man or one group of men from getting large and excessive loans from the Government. But read the motion to recommit. It says:

No funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000.

I may have a crop worth a quarter of a million dollars.

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p.m.) the House adjourned until tomorrow, Wednesday, May 20, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

999. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated January 21, 1959, submitting a report, together with accompanying papers and illustration, on Great Lakes harbors study—interim report on Ashtabula Harbor, Ohio, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 148); to the Committee on Public Works and ordered to be printed with illustrations.

1000. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 17, 1959, submitting a report, together with accompanying papers and illustration, on a Great Lakes harbors study—interim report on Calumet Harbor, Ill. and Ind., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 149); to the Committee on Public Works and ordered to be printed with illustrations.

1001. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 4, 1959, submitting a report, together with accompanying papers and illustrations, on a Great Lakes harbors study—interim report on Duluth-Superior Harbor, Minn. and Wis., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, June 29, 1955, and June 27, 1956, respectively (H. Doc. No. 150); to the Committee on Public Works and ordered to be printed with two illustrations.

1002. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 21, 1959, submitting a report, together with accompanying papers and an illustration, "Great Lakes Harbors Study—Interim Report on Buffalo Harbor, N.Y.," requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 151); to the Committee on Public Works and ordered to be printed with illustrations.

1003. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes"; to the Committee on Interior and Insular Affairs.

1004. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation entitled "A bill to amend section 403 of the Housing Amendments of 1955 so as to authorize an alternative procedure which may be utilized in lieu of title insurance on military family housing, and for other purposes"; to the Committee on Banking and Currency.

1005. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of proposed legislation entitled "A bill to provide for the settlement of claims of

military personnel and civilian employees of the Federal Government for damage to, or loss, destruction, capture, or abandonment of, personal property occurring incident to their service, and for other purposes"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Government Operations. S. 900. An act to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes; with amendment (Rept. No. 368). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. H.R. 7120. A bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; without amendment (Rept. No. 369). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 7229. A bill to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 31, 1954, as amended; to the Committee on Agriculture.

By Mr. BROOMFIELD:

H.R. 7230. A bill to free farmers from Government control; to the Committee on Agriculture.

By Mr. BUCKLEY:

H.R. 7231. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. BURDICK:

H.R. 7232. A bill to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 31, 1954, as amended; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 7233. A bill to amend section 632 of the Bankruptcy Act (11 U.S.C. 1032) by inserting the word "first" before "meeting" and by adding a new section 644 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XIII proceedings (wage earners' plans); to the Committee on the Judiciary.

H.R. 7234. A bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, with relation to the importation of trademarked articles and for other purposes; to the Committee on the Judiciary.

By Mr. FORAND:

H.R. 7235. A bill to amend the Internal Revenue Code of 1954, so as to restore competitive equality to retailers and other distributors with respect to certain sales to business and other organizations; to the Committee on Ways and Means.

By Mr. KILGORE:

H.R. 7236. A bill to amend the Internal Revenue Code to allow gas tax refunds due for gasoline used by aerial applicators serving farmers to be refunded to the aerial applicators providing such service to farmers; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 7237. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; to the Committee on the Judiciary.

By Mr. LOSER:

H.R. 7238. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 7239. A bill to eliminate the date of termination of the provisions of law authorizing issuance of nonquota immigrant visas to certain alien orphans, and for other purposes; to the Committee on the Judiciary.

H.R. 7240. A bill to increase the annual income limitations governing the payment of pension to certain veterans and their dependents; to the Committee on Veterans' Affairs.

H.R. 7241. A bill to amend section 503 of title 38, United States Code, to provide that social security benefits shall not be counted as income in determining eligibility for pension; to the Committee on Veterans' Affairs.

By Mr. POFF:

H.R. 7242. A bill to amend sections 1, 57j, 64a(5), 67b, 67c and 70c of the Bankruptcy Act, and for other purposes; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 4243. A bill to amend the act providing for a program to eradicate the dogfish shark on the Pacific coast in order to expand such program; to the Committee on Merchant Marine and Fisheries.

By Mr. SPENCE:

H.R. 7244. A bill to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies; to the Committee on Banking and Currency.

By Mr. WAMPLER:

H.R. 7245. A bill to provide for the increased use of agricultural products for industrial purposes; to the Committee on Agriculture.

By Mr. COOLEY:

H.R. 7246. A bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended; to the Committee on Agriculture.

By Mr. DERWINSKI:

H.R. 7247. A bill to amend the act of August 16, 1950, relating to exclusion from the mails of obscene articles, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GIAIMO:

H.R. 7248. A bill to amend the Lanham Act to provide a preference in the purchase of housing thereunder to the widows of veterans; to the Committee on Banking and Currency.

H.R. 7249. A bill to amend the Public Health Service Act to provide for a public health training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado:

H.R. 7250. A bill to amend section 12 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. McDOWELL:

H.R. 7251. A bill to amend the Mutual Defense Assistance Control Act of 1951; to the Committee on Foreign Affairs.

By Mr. O'KONSKI:

H.R. 7252. A bill to amend section 6150 of title 10, United States Code, to provide for advancement on the retired list of officers of the Army or Air Force specially commended for performance of duty before January 1, 1947, in actual combat; to the Committee on Armed Services.

By Mrs. ROGERS of Massachusetts:

H. Con. Res. 175. Concurrent resolution endeavoring to reduce the number of accidents and deaths from accidents on the highways; to the Committee on Interstate and Foreign Commerce.

By Mr. McDOWELL:

H. Res. 267. Resolution expressing the sense of the House of Representatives with respect to determinations of whether certain disputes involving the United States are subject to the compulsory jurisdiction of the International Court of Justice; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. GIAIMO: Memorial of the General Assembly of the State of Connecticut memorializing Congress to allow an additional income exemption of \$1,200 for an individual who is a student at an institution of higher education; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to more than two terms for the President of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to requesting and recommending passage of legislation creating a Youth Conservation Corps; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:

H.R. 7253. A bill for the relief of Mrs. Luella Johnson; to the Committee on the Judiciary.

By Mr. COOLEY:

H.R. 7254. A bill for the relief of Simeen Chaghaghi; to the Committee on the Judiciary.

By Mr. DANIELS:

H.R. 7255. A bill for the relief of Eva, Albertina, and Rita Carrino; to the Committee on the Judiciary.

H.R. 7256. A bill for the relief of Miss Remedios Villaneuva; to the Committee on the Judiciary.

By Mr. DURHAM:

H.R. 7257. A bill for the relief of Helen W. Barksdale; to the Committee on the Judiciary.

By Mr. GEORGE:

H.R. 7258. A bill for the relief of Dimitroula A. Kehages; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 7259. A bill for the relief of Francesco Michienzi, M.D.; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 7260. A bill for the relief of John Napoli; to the Committee on the Judiciary.

By Mr. MASON:

H.R. 7261. A bill for the relief of Magdalena Bier; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.R. 7262. A bill for the relief of George W. Roberts; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 7263. A bill for the relief of Edward Ketchum; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

188. By Mr. WESTLAND: Petition of the editors of Szavad Magyarsag, an American-Hungarian newspaper, published in the city of New York, concerning free elections in Hungary and other captive nations; to the Committee on Foreign Affairs.

189. By Mr. DOOLEY: Resolution of the Westchester County (N.Y.) Committee for a Sane Nuclear Policy, in favor of international agreement on the cessation of all nuclear weapons testing, supporting and urging adoption of Senate Resolution 96 and similar legislation in the House of Representatives, and suggesting that responsibility for the safeguarding of public health relevant to radiation hazards be transferred to the U.S. Public Health Service; to the Committee on Foreign Affairs.

190. By Mr. LANE: Petition of the Textile Workers Union of America, AFL-CIO, local unions in Lawrence, Mass., on minimum wage legislation; to the Committee on Education and Labor.

191. By Mr. LOSER: Petition of the Bishop Adrian General Assembly, Fourth Degree, Knights of Columbus, Nashville, Tenn., that proper authority of the U.S. Government be requested to prepare and develop a motion picture in colored film which will show existing proper rules and customs pertaining to the display and use of the flag of the United States, and that said film be made available to schools, universities, libraries, clubs and other organizations throughout the country; to the Committee on the Judiciary.

for working as many as 50 or 60 hours a week. Poverty and suffering have not disappeared from America.

Many migrant families depend upon the income from their children to eke out a meager existence. The family is seldom financially able to meet any emergency. If they arrive a few days before the crop is ready to harvest, many have no money for food. A uniform Federal minimum wage and hour regulation would reduce some of these hardships.

The United States enjoys great wealth. We are proud of the high standard of living of our citizens. We do not like to face the fact that not all of our workers have the same minimum wage protection. However, only a little over half of those who could be covered by Federal Labor Standards Act are covered. Over 20 years ago protection was promised as rapidly as practicable.

Studies have been made to determine the effect of the \$1 minimum wage on the low-paying industries. There were no more business failures than normal in spite of predictions to the contrary. A small amount of unemployment resulted because of the increased wage rate. This was small in comparison to the number who benefited. The most common result was the replacing of obsolete machinery, realignment of work and other methods to increase efficiency and productivity.

The increase of the minimum rate to \$1.25 now would be absorbed as easily as was the earlier \$1 rate. This would not contribute to inflation because most of the money would be spent for necessities, such as food which is a surplus item.

In conclusion we urge the extension of coverage to as many workers as possible. No society can permit any group within it to be deprived of the opportunity of a decent living standard on a share in the abundance that society provides, without gravely impairing its strength and cohesiveness.

Thank you for the opportunity of submitting this statement.

Department of Agriculture Appropriations

SPEECH OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 18, 1959

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. SCHWENGEL. Mr. Chairman, in our discussion of the Department of Agriculture and Farm Credit Administration appropriation bill for 1960, I join with several of my distinguished colleagues who ask that the costs of this program be considered in their proper perspective and that we be fair in the assessing these benefits which accrue directly to the farmer and his family.

Farmers are not to be blamed for the high cost of surpluses and outmoded agricultural programs. Farmers are harassed by a cost-price squeeze resulting from the sharp costs which occurred in the 1939-52 period and which has hardened the economy.

The big majority of the farmers are not asking for tax handouts from the

Government. They want more freedom less Government interference, and more commonsense in farm programs. Our farmers and ranchers are not wallowing in Government handouts. Only about 56 percent of the agriculture appropriations can be called direct aids to farmers. The other 44 percent benefits many people.

Programs that make up the 44 percent have multiple benefits and should not be charged exclusively to the farmer. In this category are such programs as long-range programs for the improvement of agricultural resources—including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and land management.

Our investment in REA and FHA loans is subject to repayment and should not be considered as part of the Agriculture program cost.

In addition, there are those phases of the program which are related to foreign aid and which create good will abroad. In 1958 alone we donated \$272,500,000 worth of food to needy persons overseas.

Then, there are our food distribution programs: surplus foods donated through Department of Agriculture auspices which have benefited more than 14 million schoolchildren through the school lunch program and other foods which have been distributed to about 1.4 million persons in charitable institutions. In March of this year alone, surplus foods were distributed to 5,741,298 needy persons in the United States.

It is unfair to blame farmers for the price of food at retail. The farmer's share of the food dollar today is 40 cents, a descent from a peak of 53 cents in 1945.

The other 60 percent of the food dollar goes to pay for increased labor and transportation costs; it goes to the food packer and processor and to pay for those attractive, sanitary food packages which look so good in the supermarket and store so well in the deep freezer, the refrigerator, and the cupboards.

Now, let us look at the conservation reserve program—the long term and only remaining part of the soil bank. This program has considerable merit as a tool for getting at overproduction and overcapacity—the roots of our present farm problem.

Maintaining fertility falls properly to the farmer himself. Conserving the physical integrity of the soil resource falls to the Nation as well as to the farmer and landowner in order to save the people's heritage and safeguard the national welfare. If the soil is destroyed, then our liberty of choice and action is gone, condemning this and future generations to needless privations and dangers. The farmer must be responsible for crop rotation and fertilization in order for his farm to get at least normal yield per acre.

Land, after all, is not an economical commodity. It is an integral part of the Nation, even as its people are, and requires protection by the individual owner and by the Nation as well. This is a natural resource which benefits all the people.

The conservation reserve plans for future generations as a reservoir for potential food production. It will be a reserve for more food and better food. For present generations, the improvement of water resources, increase in recreational and wildlife resources and improvement of forest resources for utilization within 15 years as pulp and paper products, bring immediate benefits.

The soil bank payments average \$13.50 per acre with a limitation of \$5,000 to each farm. These payments do not compensate the farmer for what he would have received for normal farming operations. Rather, he receives an annual payment in lieu of the rent he might otherwise receive from another farmer for the use of his land. Furthermore, the farmer has to do something to earn this payment. He must put the land into grass or trees or other permanent cover, and take care of it.

This program will conserve and build our vital land, water, and forest resources, and alleviate the problems of surplus production during peacetime periods of normal consumption requirements. Within a few years we can dispose of our surplus stocks and save storage and interest costs. Acreage allotments, marketing quotas, and support prices will not be necessary. American farmers will be able to get decent prices in the market place.

This type of program will, through Government action, seek to compensate for the disadvantages now applicable to farmers caused by tariffs, labor, and social legislation which increase their costs.

Our farmers and ranchers have been victimized during the past 10 years through the failure of the Congress to make needed changes in old, outmoded legislation, some of which was needed to meet the wartime emergency.

Many of our farm families and the taxpayers will continue to reap the sad economic consequences of obsolete rigid programs unless recommended changes governing our price support laws are made without delay.

Congress must move in the direction of greater freedom for our farmers and less Government in agriculture.

U.S. Department of Agriculture budget expenditures of fiscal year 1959 (midyear review estimates)

	Millions
Programs having multiple benefits and not directly chargeable to the farmer:	
Programs relating to foreign aid, including Public Law 480 (International Relations) and International Wheat Agreement.....	\$1,383
Food distribution programs, including commodity purchases under the program for removal of surplus agricultural commodities, school lunch and milk.....	391
Investment in REA and FHA loans, which are subject to repayment...	603
Long-range programs for the improvement of agricultural resources, including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and public land management...	645
Total (44 percent).....	3,022

U.S. Department of Agriculture budget expenditures of fiscal year 1959 (midyear review estimates)—Continued

	Millions
Programs predominantly for benefit of the farmer:	
Agricultural conservation program.....	\$257
Soil bank programs.....	880
CCC price support, supply, and related programs, including National Wool Act and acreage allotments and marketing quotas.....	2,638
Sugar Act program.....	75
Total (56 percent).....	3,850
Grand total.....	6,872

Crop Surplus Is Costing United States Billions

EXTENSION OF REMARKS OF

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. BROOMFIELD. Mr. Speaker, the scope and waste of our Federal agriculture subsidy program has become a disgrace to our Nation and a tremendous burden upon the pocketbooks of our taxpayers. Recently, the Detroit Free Press printed a series of articles on this subject which I believe is worthy of the attention of all the people of the United States. These articles—the first of which follows—give a good picture of the waste and the folly of our present farm programs:

CROP SURPLUS IS COSTING UNITED STATES BILLIONS

(By Ray Cave)

America's farm price support program is developing into a national crisis, and unless there is drastic congressional action things will get worse before they get better.

By June the Government will have paid for \$9 billion worth of surplus farm commodities—primarily wheat, corn, and cotton.

Nine billion dollars is enough to run the city of New York government for more than 4 years under the present budget.

The Federal Government will own more wheat than the Nation consumes and exports in a year. There is enough wheat available in the country to supply domestic needs for nearly 4 years.

The Government will own more corn and cotton than the Nation uses and exports in half a year.

By June it will cost \$1,750,000 every day just to store these surpluses. It will cost more than \$500,000 a day to move the commodities, and a million dollars a day in interest on the money involved.

Alarmed by the cost of the price support program, President Eisenhower said early this year:

"The price support and production control program has not worked.

"The existing price support program channels most of the dollars to those who store the surpluses and to relatively few producers of a few crops."

Speaking of the billion-dollar storage and interest cost, Agriculture Secretary Ezra Taft Benson recently said:

"This is fantastic and indefensible."

The spending of fortunes to keep farm prices high has led to situations where:

1. The Government is letting private storage companies do a job which it can do for half as much money.

2. Government storage fees insure such profits in cheap storage facilities that warehouse operators have offered to pay farmers not to sell their crops but to let the Government take them over. That way, the Government pays for the crop and foots the storage bill.

3. One storage company could make a \$3 million net profit on the Government business it handled in 1 year.

4. A fleet of old freighters had to be used by the Government to store surplus wheat. Typical of the farm surplus dilemma which besets the country is the story of Bondurant, Iowa.

The 328 people who live in that tiny farming community near where the South Skunk River tumbles past Des Moines wouldn't know a million dollars in gold if they saw it—and they can see it by looking out their windows.

It's stored in 230 squat steel bins, built in successive years as the Government bought millions upon millions of bushels of the surplus commodity they contain, hard, yellow corn.

It isn't unusual to have a million dollars in your backyard in Iowa these days. You can see the same thing at Pocahantas, or Swea City, or Clare, or Dickens, or Lake Park, or Winterset.

Stand on any Iowa hill and chances are you would see some of the 70,000 structures containing part of the 391 million bushels of Government-owned corn stored in the State today.

It cost the Government \$606 million to buy the corn in Iowa, at an average cost of \$1.55 a bushel. But nobody wants to buy the corn from the Government.

Of the 215 million bushels stored in Government bins in 1958, only 13,800,000 could be sold.

These sales were largely possible only because the corn was starting to deteriorate. The law allows the sale of a commodity which might spoil to the highest bidder above the going market price.

Some of the corn in Government bins is 8 years old, but each year huge new surpluses are added.

The reason is simple.

Under the farm support law, the Department of Agriculture must acquire all corn which a farmer doesn't choose to sell on the open market.

Congress has seen to it that Uncle Sam's price often is higher than the market price. As a result, much of the grain is bought by the Government.

The Government is able to sell or give away only a fraction of what it buys. The rest it must store. The storage problem alone is a fiscal chamber of horrors.

According to the Grain Storage Division of the Department of Agriculture in Iowa, the Government can store corn in its own bins for 4 cents a bushel a year.

If deterioration losses and depreciation are considered, the cost to the Government to handle its own storage becomes 6 cents a bushel a year.

But the Government is paying 16½ cents a bushel a year to private concerns which store corn, plus 4 cents a bushel for loading and handling.

In spite of this apparent tremendous difference in cost, the national farm policy demands that private storage facilities be used whenever they are available.

In Iowa in the last year, Agriculture Department statistics show, the Government:

Paid \$8 million to store grain in its own bins;

Paid an estimated \$30 million to store less grain in private facilities.

The records indicate that the Government could have saved a minimum of \$15 million by setting up its own storage facilities for all of the grain it owns in Iowa.

But even Government-owned storage is expensive. It takes 505 Federal employees to look after the Government's storage of farm surpluses in Iowa.

Harold Brightwell, in charge of Government grain storage in Iowa, says each bin must be checked twice a month for spoilage.

Moisture is the deadly enemy. Fans are now being used to ventilate the large bins.

Last year, Brightwell says, about 4 million bushels of the 215 million bushels of corn stored in Government bins was deteriorating and had to be sold.

Another 11,569 bushels was damaged beyond any value. This, in terms of the corn stored by the Government in Iowa, is an insignificant amount to lose, says Brightwell.

One form of storage is that operated by farmers on their own land. The farmers keep the corn, after getting their money for the crop from the Government, and store it themselves.

For keeping a watchful eye on their crop they receive the full storage rate of 16½ cents a bushel a year. There were 63 million bushels of this "reseal" corn on Iowa farms last year.

For going into the storage business (often using Government loans to build the facilities—and at considerable urging by the Government) Iowa farmers grossed \$10 million last year.

Though the storage industry avoids efforts to pin it down on the exact cost of building and operating bin-type storage for corn, it is generally conceded that such storage often can be constructed for 30 to 40 cents a bushel.

Does this mean the 16½-cent storage rate paid by the Government is making a "surplus profit" deal out of the storage industry in Iowa?

"Emphatically not," says Fred Maywald, official of the Iowa Farmers Grain Dealers Association, which has 300 storage firm members.

"The Government keeps encouraging us to build storage facilities," he says. (Washington is indeed making every effort to encourage private storage construction.)

"If the Government wants the warehouse trade to continue expanding its facilities to handle surplus crops, it will have to keep the 16½-cent storage rate," Maywald says. "Everybody in Iowa would be glad if we didn't have to build another bushel of storage space."

"We're afraid if we build as fast as the Government wants us to and the farm program changes we'll have empty warehouses across the State."

Yet, if the farm surplus situation is a scandal from one point of view, it is no gray train for the farmer from the other.

A man who knows both is Joseph F. Carber, a Clinton County farmer and head of the Agriculture Stabilization Committee in Iowa.

"The farmer is living well, that's true," says this ruddy-faced operator of 220 acres.

"I never thought I would make as much as I am, and I never thought it would cost me so much to make it. Like everybody else, our standard of living is up, but don't think the average farmer is getting rich."

"My net income last year was \$4,000 (compared with an average of \$4,667 for the State). Considering the time I put in on that farm, that doesn't make my hourly wage very high." (It also is noteworthy that this is the income on a farm worth an estimated \$100,000, including equipment).

But if farmer Carber seems unconcerned about the surplus crisis, Government representative Carber is a much more worried man.

in the legislative branch of the government. Oliver Cromwell, in proroguing the English Parliament, pointed his sword at the mace lying upon the table of the House of Commons and cried, "Take away this bauble." And when it was carried out there went with it representative government in all England.

Again, Napoleon, stalking into the French Chamber of Deputies at the head of his grenadiers, cried "Follow me. I am destiny. I am the divinity of the day." As his bayonets drove out the representatives of the people, some of them climbing through windows to escape, they drove out civil and religious liberty.

From that day until the end of the Napoleonic dynasty, France, and all Europe controlled by France, was without representative government.

Again, more recently, Hitler, seizing the reins of government in Germany, as the first step toward world domination, burned down the Reichstag Building, so that Germany's House of Representatives, unable to meet, was scattered in confusion, and before it could reassemble, a large number had been proscribed or were in concentration camps, and free government in Germany had been destroyed, and free government was in peril throughout the world.

Here in America, whenever any man or group of men have sought to establish autocratic control, whether political, economic, or industrial, they have struck, either directly or by innuendo, at the influence of the representatives of the American people. Of course, the American people have long ago advanced beyond the stage of armed interference with the legislative branch of the Government by military authorities. That would be impossible in America today. Our state of civilization does not countenance the political prison or the concentration camp. But there are other ways of undermining the standing and influence of the assembly in the regard and confidence of the people, which, whether with or without sinister motives, can be just as effective when carried to their ultimate conclusion.

Both Congress and the State legislatures have been subject to criticism—as they should be—ever since the establishment of the Republic. One of the most priceless prerogatives of every American citizen is the right to criticize his elected public servants, and that right has been widely and fully exercised from the admission of the State into the Union down to the 70th General Assembly now in session. At times that criticism has been more virulent and more undeserved than at others. And that is as it should be. Better that we be unjustly accused on many occasions than that we escape merited stricture on any single occasion.

The right to criticize—freedom of speech—has come down to us simultaneously with, and as a corollary of, parliamentary procedure. Freedom of speech is inevitably accompanied by parliamentary control of the right to speak.

Parliamentary practice had its inception when the tribe—beneath the oaks of England or in the Black Forests of Germany—finally agreed to sit down in a circle and speak one at a time. And that is the primary requisite in parliamentary procedure today.

We trace the beginning of the struggle for individual rights—the rights of the people—the protection of the citizen against the tyranny of the state from earliest times.

The spirit of democracy knows no geographical bounds. At the time the yeomen of the British Isles were maintaining their rights against autocracy the Gauls and Franks in Germany were fighting the same battle. After the Battle of Soissons there were vast quantities of booty—the wealth of the dying Roman Empire. Among the

spoils was a beautiful vase which King Clovis asked be allotted to him. But a private soldier from the ranks insolently swung his battle axe and shattered it into a thousand fragments. So strong was the sense of equality and equity among the Germanic people that the King dared not show resentment. But a few weeks later when in the course of his inspection of the troops he discovered a spot and a broken thong on the soldier's shield, he cut him down with his battle axe and looking down at him said, "Thus didst thou to the vase of Soissons."

From these many divergent sources has come our love for democracy and the parliamentary law necessary to preserve it.

When Jefferson was called on as Vice President to preside over the Senate he—in his usual methodical manner—prepared a digest of the rules and practice of the English House of Commons. With his opportunities during his service as Washington's Ambassador to France to contrast the traditional deficiencies of the singularly ineffective rules of the succeeding French Assemblies his Jefferson's Manual probably embodied the most efficient system of parliamentary practice up to that time. And it remains today the basic law of the National House of Representatives.

A well established system of procedure is essential to expedition and efficiency in legislation. And familiarity with the procedure of the House is indispensable to a successful legislative campaign. How often have we seen a minority put its program through against a decisive majority through superior knowledge and application of parliamentary tactics.

But parliamentary law cannot be learned from a textbook. It requires practice and observation. For that reason those constituencies which retain their representative from year to year exercise the largest influence in the assembly.

It has always been so. President Taft, during his service as Chief Justice recalled that Edmund Burke himself related that it was by slow degrees and constant application that Charles James Fox became the greatest parliamentary debater in the world. Speaker Champ Clark, who knew whereof he spoke, said that a man has to learn to be a representative and the best rule is for a constituency to select a man of fair capacity, industrious, honest, sober and courageous, and keep him as long as he discharges his duties faithfully and well. It is to the interest of the State of Missouri that the constituencies represented here today observe that wise admonition—concurring in by two great Americans who left their impress indelibly on our national institutions. The lengthening service of your distinguished colleague Senator Kinney, and his invaluable contributions through the years to his district, his city, his State and to the Nation constitute a convincing example of the cogency of that long-tested rule.

As representatives you are faced today with the most momentous issues of any Missouri House since the civil war. For the problems of the Nation are the problems of the respective States. The Nation today is confronted with unprecedented complications in defense, inflation, labor standards, economic monopoly and predatory exploitation of the consumer, which mark the struggle today between democracy and totalitarianism in modern business. And in our State especially just at this time the price of agricultural products and farm income are among the critical domestic problems of the day. (I am gratified to see present in the chamber this afternoon a great farm leader, Mr. Heinkel, whom the Missouri delegation in Congress is always glad to follow in matters of agricultural policy.)

In its widest implications the field of legislative responsibility of the Missouri Gen-

eral Assembly is no longer provincial; it is nationwide.

Missouri is one of the great States of the Union. It has a great history and a greater destiny. A great and wise Governor. Progress and prosperity are just ahead. And in the future this house and its speaker and the senate and its lieutenant governor have ahead of them an ever widening field of service and accomplishment and achievement.

Department of Agriculture and Farm Credit Administration Appropriation Bill, 1960

SPEECH
OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 18, 1959

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. HOFFMAN of Michigan. Mr. Chairman, unless I am completely mistaken, the validity of justice of this amendment is admitted both by the chairman of the committee and the ranking minority member.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. WHITTEN. May I say I have not so agreed and did not agree. But I say that if there is merit to the gentleman's argument then the proper place to present it is before the legislative Committee on Agriculture and not on the floor after the contracts have been entered into.

Mr. HOFFMAN of Michigan. Perhaps, unintentionally, I misstated myself. What I meant, and what I think the Record will show, if the gentleman does not revise his remarks, was that the chairman of the committee admitted there was merit in the amendment. I realize that the opposition to an amendment which has merit is to object that the present—that is, when it is offered from the floor—is neither the time nor the proper place to consider or adopt it—just postpone it—the amendment is all right, but let us not take it up now. That is the usual argument here when it appears that the committee had failed to see the need in committee.

This morning a letter came to me, which may be of interest to those who in the last session and since have continuously criticized and berated Secretary of Agriculture Benson. That letter was read to you just a few minutes ago. You might give it consideration in considering the pending amendment. In those days, we were told time and time again, not only by present Members of the House but by some who are not now here that, if we did not get rid of Secretary Benson, the country would go to the dogs; that Secretary Benson's agricultural program was worse than the

program and the administration of the program which was adopted in 1938 by our Democrat friends.

And permit me to add that time and experience have demonstrated that that program, while it may have gained votes for its originators and sponsors, has as yet neither cured nor contributed to the cure of any of the ills affecting the agriculture industry, although we can all admit that it has been beneficial to a few large corporations which have been farming and collecting subsidies. It has not reduced our surpluses.

It has been my privilege to know something about farming for at least 60 years and, while the farmers suffered hardships, so did others, including an almost fixed percentage of businessmen.

A few years ago, a friend who was township clerk as well as chairman of the Republican township committee in one of the townships of my home county of Allegan, wrote me that, in his township, because of Secretary Benson's administration of the Democrat farm program, that is, the Agricultural Adjustment Act of 1938, and the amendments thereto, the farms in that particular township were being abandoned.

At my suggestion, personal surveys were made by disinterested people familiar with the situation in that township. One was by a member of the State senate and another by a disinterested individual, both acquainted not only with the farms but with the people who lived on the farms in that particular township.

Do you know what that survey pointed out? Sure, that many of my constituents and others living in the district of the gentleman from Michigan [Mr. FORD], were abandoning farming. But there was a joker in the situation. The farmers were not farming. Do you know what they were doing? They went to Holland City and to factories in our own towns in the Fourth Congressional District of Michigan and worked in the factories. They lived at home on the farms but they were letting the kids and the women of their households run the farms with the tractors and other farm machinery which made it possible to have two instead of one family income. That is the way they were moving out. They were enjoying two sources of income. Permit me to say to my colleagues on both sides of me that that explains why there are more Democrat votes than usual up there in the last election. Some people think it is fine to have Uncle Sam give them a cash benefit if others pay the larger part of it. They draw their wages in the factory. They want higher wages while working in the factory, then let the wife and kids run the farm. They have no objection to a gift of cash if it is paid in larger part by the other fellow. They are fine folks, they are the people who pay the taxes, but I do not know of any reason why we should let the farmer turn his soil into conservation payments and then take a job which another man needs and who has no source of income except his labor. But if you want it that way, you can have it.

In my judgment, it is neither right nor fair to permit a landowner to put his

farm in the soil conservation program, draw down a subsidy for taking his land out of production, and be given a special benefit or subsidy which must be paid from the taxes collected from all of us. That procedure is a deliberate taking of the money paid to Uncle Sam by everyone, regardless of their wishes, and used for the benefit of those belonging to a special group.

It is especially reprehensible when the benefit payments go in large chunks to corporations or wealthy individuals who own large farms. Yet many brazenly assert that the program is for the aiding of the small farmer. That is nonsense and most of us know it. As many an editorial has pointed out, it is vote buying through the expenditure of tax dollars.

Indonesians Live With Hopes, Fears

EXTENSION OF REMARKS OF

HON. J. CARLTON LOSER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 19, 1959

Mr. LOSER. Mr. Speaker, I have already placed in the RECORD several articles written by Mr. Coleman A. Harwell, editor of the Nashville Tennessean, during his world tour.

Under leave to extend my remarks, I am today including the first of three articles on Indonesia. I believe you will find it of interest. It follows:

INDONESIANS LIVE WITH HOPES, FEARS

(By Coleman A. Harwell)

JAKARTA, INDONESIA.—Mochta Lubis, one of the victims of Indonesia's strange struggle for independence, sent out a message of hope last week from the imprisonment of his home.

The tragic situation of Lubis typifies the confusion and contradictions of Indonesia today. His message bespeaks both the hopes and the frustrations you discover on every hand.

This was his message:

"Despite the present situation, I am fully confident in the cause of true democracy for Indonesia."

Lubis is not a military hero. Many of his fellow countrymen dispute that he is indeed a hero at all. Some of them say of this editor who has been held prisoner in his own home for 2 years, without trial, that he was too brash. With this Lubis agrees.

"My continued detention," he said, "is my own fault because I refuse to compromise the principles of the freedom of the press."

His message was delivered in the worn voice of his tiny wife, Holly, whose eyes filled with tears as she spoke.

TOLD OF CONCERN

She had been told that newspapermen all over the free world, from New York to Jerusalem to Ceylon, were concerned with her husband's fate and welfare. She had been asked how things were with her and him and their three little children.

"It is not so bad," she said, "we hope * * *". She turned her head away as tears welled up. But only for a moment; then she turned back and smiled and said, "I'm sorry."

That was her only display of emotion in our talk, the only evidence of the strain of keeping life on an even keel in a home that is a prison.

She and the children come and go freely. It is especially important that the little ones not be upset by the abnormal situation; that she and her husband not let their anxiety show to them. And that is difficult in the face of the uncertainty, the lack of hope, not knowing if anything will happen today or tomorrow or the day after.

That is why Lubis' predicament is typical of Indonesia—the uncertainty, the not knowing, the evasion of concrete decisions.

NO COMPROMISE

Lubis was one of the millions who exulted when the heavy yoke of Dutch rule was thrown off in 1950. He welcomed freedom not with just a shout, but with a clattering typewriter that proclaimed his joy and also his unwillingness to compromise on any issue of freedom.

His critics say he went too far. Even some newsmen who proclaim their personal friendship say he was too vitriolic in his criticism of President Sukarno—he should have known Sukarno would get even with him; that's the Indonesian way. In any event, Lubis went right on with his attacks.

When a high official—Abdulgani—accompanying Sukarno to America in 1956, was alleged to have profited on a dollar exchange in San Francisco, Lubis printed the story in his newspaper, Indonesian Ria. Lubis was arrested soon afterward, placed under house arrest. His newspaper, hounded by the government, finally gave up.

There is a question as to whether Lubis' immediate situation was helped or injured earlier this year when he was voted the \$5,000 Magsaysay award by Philippine newspapers for the greatest contribution to press freedom in South Asia. Certainly it has not helped in feeding the Lubis household, for the money is still in Manila.

HOPE DASHED

Earlier this year, a professor who had won the Sukarno Government's disfavor, was permitted to go to Manila to collect a similar award. This spurred hope in the Lubis household for a time. But nothing happened.

So Lubis paints colorful scenes of the beautiful tropic land he loves so much, reads everything he can get hold of, talks with Holly, helps his children with their studies—and waits.

But, in contrast with past years, criticism of the Government on any important issue cannot be found. And the vigorous investigative reporting, once prevalent, is now nonexistent.

Pressures on the press—a sort of cat-and-mouse technique typical of public life in Indonesia—had started before last year's rebellion in Sumatra. Since then, the country has been under martial law and the press is under control of the military commander in each area.

ARMY CRACKS WHIP

Control is exerted in a most tantalizing, mercurial fashion. Instead of a press law or advance censorship, the army cracks down afterward in any way it sees fit, whether or not the matter is military.

The latest instance would have been funny if it had not been so serious. It illustrates how things are done in Indonesia.

A Dutch captain, Henricus Schmidt, captured in the revolution and sentenced to life for war crimes, was given a reduced sentence to 5 years, set free because he had already been in prison 5 years, and permitted to leave the country.

The attorney general announced the fact, which was published by all papers. Widespread protests resulted, so the attorney general was removed from office. That official wrote a letter to the conservative, government-critic paper, Pedoman, saying he felt he should not have been discharged because he merely executed the order issued by the supreme court.

May 20, 1959

9. FATS AND OILS. Passed without amendment H. R. 147, to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations, or mixtures thereof. This bill will now be sent to the President. p. 7714
10. ROADS. Passed without amendment H. R. 4695, to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of highway construction from 5 to 7 years. This bill will now be sent to the President. p. 7719
11. SUGAR. Received from the President a certified copy of the International Sugar Agreement of 1958, dated at London, Dec. 1, 1958, and a report from the State Department explaining the purposes and provisions of the agreement. p. 7682
12. RESEARCH. Passed over, at the request of Sen. Engle, S. 690, to provide for increased research on the industrial use of agricultural products. p. 7702
Received a Nebr. Legislature resolution favoring enactment of legislation for the establishment of a soil and water research laboratory in the Great Plains area. p. 7685
13. PERSONNEL. Passed over, at the request of Sen. Keating, S. 91 and H. R. 4601, to limit to cases involving the national security the prohibition on payment of annuities and retired pay of Federal employees. p. 7702
14. FORESTRY. The "Daily Digest" states that the Public Lands Subcommittee of the Interior and Insular Affairs Committee ordered reported to the full committee "numerous bills pending on its calendar" after hearing testimony from representatives from various departments, including this department. p. D375
Received a Calif. Legislature resolution urging Congress to withhold enactment of legislation to establish wilderness areas until recommendations are received from the National Outdoor Recreation Resources Review Commission. p. 7686
15. CONSERVATION. Received an Ill. Legislature resolution favoring establishment of a Youth Conservation Corps to aid in the conservation of natural resources. p. 7685
16. WATER RESOURCES. Passed without amendment S. 300, to provide for the establishment of a study commission for the Guadalupe-San Antonio River Basins, Tex. p. 7718
Sen. Case, S. Dak., inserted several items relating to costs for the development of water resources, including a report and proposed bill from the Budget Bureau to provide for the establishment of uniform cost-sharing standards for flood protection projects. pp. 7721-8
17. LEGISLATIVE PROGRAM. Sen. Johnson announced that the Treasury-Post Office appropriation bill for 1960 will be considered next week. p. 7684

HOUSE

18. AGRICULTURAL APPROPRIATION BILL FOR 1960. Passed with amendment this bill, H. R. 7175. pp. 7767-8
Agreed to, by a vote of 262 to 165, a motion by Rep. Taber to recommit the bill to the Appropriations Committee with instructions to report it back with an amendment providing that no part of CCC funds shall be used to process a commodity loan in excess of \$50,000.

After the bill's passage, Rep. Cooley stated that if enacted into law, the CCC loan limitation amendment "would utterly and completely destroy the farm program ...," that the amendment would place "greater hardships" on the family farmer than the large farmer, and that it would apply to agricultural cooperatives as well, and inserted a letter from the Secretary supporting exemption of cooperatives in considering such amendments. Rep. Michel commended the House action on the Taber amendment and stated that "the language ... will undoubtedly be refined in the other body to exempt farmer cooperatives."
pp. 7807-8, 7823

19. APPROPRIATIONS. Passed, 294 to 128, H. R. 7007, the National Aeronautics and Space Administration appropriation bill. pp. 7766-7, 7812
The Appropriation Committee was given consent to have until midnight Thursday to file a report on the Departments of State, Justice, and Judiciary appropriation bill. p. 7766
20. FORESTRY. Rep. McGovern urged passage of a reforestation resolution, under which the Secretaries of Agriculture and Interior, beginning July 1, 1960, would "plant 48 million idle and nonproductive acres." pp. 7815-6
21. COMMODITY LOANS. Rep. Curtis, Mo., inserted the 1957 list of the producers receiving the largest amounts in commodity loans. pp. 7808-12
22. HOUSING. Debated S. 57, the housing bill which includes a provision for farm housing research. By a vote of 149 to 145, adopted a series of amendments to change the method of financing from the "backdoor" method or Treasury authorizations to direct Congressional appropriations. In the debate on these amendments, Rep. Rains stated that their acceptance would "set a pattern" and emphasized the possible effect of similar provisions on CCC, REA, and tobacco programs. pp. 7768-7807
23. REORGANIZATION. H. R. 5140, as reported by the Government Operations Committee (see Digest 79), provides for extension of the Reorganization Act of 1949 for two years, until June 1, 1961.
24. WHEAT. The Agriculture Committee has issued a release describing the committee's wheat bill (H. R. 7246) as follows:

"The major provisions are:
"(1) A 2-year bill applicable to the 1960 and 1961 crops, which:
"(2) Reduces the 15-acre exemption to 12 acres, or the highest planted acreage in 1957, 1958, or 1959, and permanently repeals the 200 bushel exemption, which is now inoperative.
"(3) Removes the ceiling of 30 acres on the wheat-for-feed exemption, and allows unlimited production for on-the-farm use.
"(4) Leaves the National minimum allotment at 55 million acres.
"(5) Provides price supports at 90% of parity, but requires producers to reduce their acreage allotments by 30%. This land in the 30% reduction is not eligible for the Soil Bank or for planting to any crop subject to price support under the Agricultural Act of 1949.
"(6) Farmers who grow no crops and who do not graze the land in the 30% reduction are eligible to receive payments in kind in wheat on one-third of the actual annual average production during the preceding 3 years.
"(7) For the two years the bill is in effect it increases the present penalty for overplanting to 65% of parity, and bases computations on double the normal yield or the actual yield, whichever is lower.

Aspinall	Frazier	Moss
Avery	Frelinghuysen	Moulder
Bailey	Friedel	Multer
Baker	Fulton	Mumma
Baldwin	Gallagher	Murphy
Barden	Garmatz	O'Brien, Ill.
Barling	Gathings	O'Brien, N.Y.
Barr	Gavin	O'Hara, Ill.
Barrett	George	O'Hara, Mich.
Bass, N.H.	Glaimo	O'Neill
Bass, Tenn.	Glenn	Oliver
Bates	Grant	Osmers
Baumhart	Gray	Passman
Beckworth	Green, Oreg.	Pelly
Beicher	Green, Pa.	Perkins
Bennett, Fla.	Griffiths	Pfost
Bennett, Mich.	Hall	Philbin
Betts	Halleck	Plicher
Blatnik	Halpern	Pillion
Blitch	Hargis	Pirnie
Boland	Harmon	Poage
Bolling	Harris	Porter
Bonner	Hays	Powell
Bowles	Healey	Price
Boykin	Hechler	Prokop
Boyle	Herlong	Pucinski
Brademas	Hess	Quigley
Breeding	Hogan	Rabaut
Brewster	Holland	Rahms
Brook	Holt	Randall
Brooks, La.	Holtzman	Reece, Tenn.
Brooks, Tex.	Hosmer	Reuss
Brown, Ga.	Huddleston	Rhodes, Pa.
Brown, Mo.	Ikard	Riehlman
Broyhill	Irwin	Riley
Buckley	Jennings	Rivers, Alaska
Burdick	Johnson, Calif.	Rivers, S.C.
Burke, Ky.	Johnson, Md.	Rodino
Burke, Mass.	Johnson, Wis.	Rogers, Colo.
Burleson	Jones, Ala.	Rogers, Fla.
Cahill	Karsten	Rogers, Mass.
Canfield	Karth	Rogers, Tex.
Carnahan	Kasem	Rooney
Carter	Kastenmeier	Roosevelt
Casey	Kearns	Rostenkowski
Celler	Kee	Roush
Chelf	Keith	Rutherford
Chenoweth	Kelly	Santangelo
Chiperfield	Keogh	Saund
Clark	Kilday	Saylor
Coad	Kilgore	Scott
Coffin	King, Calif.	Selden
Cohelan	King, Utah	Shipley
Conte	Kluczynski	Sisk
Cook	Kowalski	Slack
Cooley	Lafore	Smith, Iowa
Corbett	Lane	Smith, Miss.
Cramer	Lankford	Spence
Curtis, Mass.	Levering	Springer
Daddario	Libonati	Staggers
Dague	Lindsay	Stratton
Daniels	Loser	Stubblefield
Davis, Tenn.	McCormack	Sullivan
Dawson	McDonough	Teague, Calif.
Delaney	McDowell	Teague, Tex.
Dent	McFall	Teller
Denton	McGinley	Thompson, La.
Diggs	McGovern	Thompson, N.J.
Dingell	McSween	Thompson, Tex.
Dixon	Macdonald	Thornberry
Dollinger	Machrowicz	Toll
Donohue	Mack, Ill.	Tolliefson
Dooley	Mack, Wash.	Trimble
Dorn, N.Y.	Madden	Udall
Dorn, S.C.	Malillard	Ullman
Dowdy	Martin	Vanik
Downing	Matthews	Van Velt
Doyle	Marrow	Van Zandt
Dulski	Metcalf	Vinson
Durham	Meyer	Wainwright
Dwyer	Miller	Walshausen
Edmondson	Clement W.	Walter
Elliott	Miller	Wampler
Everett	George P.	Watts
Fallon	Miller, N.Y.	Weis
Farbstein	Milliken	Westland
Fascell	Mills	Whitener
Feighan	Mitchell	Wier
Fenton	Moeller	Willis
Fino	Monahan	Withrow
Fisher	Montoya	Wolf
Flood	Moore	Wright
Flynn	Moorhead	Yates
Foley	Morgan	Young
Forand	Morris, N. Mex.	Zablocki
Forrester	Morris, Okla.	Zelenko

NAYS—128

Abbt	Andrews	Boggs
Abernethy	Ashmore	Bolton
Alexander	Auchincloss	Bosch
Alger	Ayres	Bow
Allen	Becker	Bray
Andersen	Bentley	Broomfield
Minn.	Berry	Brown, Ohio

Budge	Hull	Patman
Bush	Jackson	Poff
Byrnes, Wis.	Jarman	Preston
Cannon	Jensen	Quie
Cederberg	Johansen	Ray
Chamberlain	Johnson, Colo.	Rees, Kans.
Church	Jonas	Rhodes, Ariz.
Collier	Jones, Mo.	Robison
Colmer	Judd	St. George
Cunningham	Kilburn	Schenck
Curtin	Kirwan	Scherer
Curtis, Mo.	Kitchin	Schwengel
Davis, Ga.	Knox	Shelley
Derounian	Landrum	Sheppard
Derwinski	Langen	Short
Devine	Latta	Sikes
Evlus	Lennon	Siler
Flynt	Lipscomb	Simpson, Ill.
Ford	McCulloch	Smith, Calif.
Fountain	McIntire	Smith, Kans.
Gary	McMillan	Smith, Va.
Griffin	Magnuson	Steed
Gross	Mahon	Taber
Gubser	Marshall	Taylor
Hagen	Mason	Thomas
Haley	May	Thomson, Wyo.
Hardy	Meader	Tuck
Harrison	Michel	Utt
Hemphill	Minshall	Weaver
Henderson	Murray	Wharton
Hiestand	Natcher	Whitten
Hoeven	Nelsen	Widnall
Hoffman, Ill.	Norblad	Williams
Hoffman, Mich.	Norrell	Wilson
Hollifield	O'Konski	Winstead
Horan	Ostertag	Younger

NOT VOTING—11

Barry	Hébert	Nix
Byrne, Pa.	Laird	Roberts
Fogarty	Lesinski	Simpson, Pa.
Granahan	Morrison	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Fogarty with Mr. Barry.

Mr. Hébert with Mr. Simpson of Pennsylvania.

Mr. Morrison with Mr. Laird.

Mr. HARRISON changed his vote from "yea" to "nay."

Mr. PATMAN and Mr. DAGUE changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

TAXATION OF INCOME OF LIFE INSURANCE COMPANIES

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, together with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? The Chair hears none, and appoints the following conferees: Messrs. MILLS, HORAN, KING of California, SIMPSON of Pennsylvania, and MASON.

CORRECTION OF ROLL CALL

Mr. GATHINGS. Mr. Speaker, on rollcall No. 45, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AGRICULTURAL LOANS

Mr. AVERY. Mr. Speaker, several Members have questioned the full implication of the amendment I offered in the Committee of the Whole to the appropriation bill for the Department of Agriculture to limit the amount of a loan made to eligible producers by the Commodity Credit Corporation.

The limitation of \$50,000 which I have proposed on Commodity Credit Corporation loans is intended as a limitation on the total amount of loans to be made on any one commodity produced on any one farm as the term "farm" is defined by the regulation of the Department of Agriculture.

Mr. DINGELL. Mr. Speaker, I am delighted to find that the House is at last going to have an opportunity to vote on the proposal to limit the amount of price supports which may be made available to any one producer. During the last session of Congress, I introduced H.R. 11905 for this purpose, and on May 18 of this year, I reintroduced this measure. It is H.R. 7182.

For years the farm program, originally intended to protect the family farm, has been used to protect those who grow enormous quantities of foods for storage rather than consumption. I made a study of the largest payments for price support operation and found that for four commodities the following amounts were paid to the largest single producer:

Corn, \$138,627.04 in Indiana.
Cotton, \$1,446,605.67 in Mississippi.
Wheat, \$312,998.02 in Montana.
Rice, \$705,648.83 in Texas.

Limitation of the amount payable to any one producer at the rate of \$50,000 per year will eliminate payments to less than 1 percent of our farms. According to the Library of Congress, only 134,000 farms, or fewer than 3 percent of all farms, sell products valued at more than \$25,000 annually.

The Michigan junior Senator, the Honorable PHILIP A. HART, and my good friend the senior Senator from Minnesota, the Honorable HUBERT H. HUMPHREY, have also long been interested in this matter.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

The SPEAKER. The unfinished business is the motion to recommit offered by the gentleman from New York [Mr. TABER] on the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Without objection, the Clerk will again report the motion to recommit.

There was no objection.

The Clerk read as follows:

On page 27, line 18, strike out the period and insert "Provided further, That no funds appropriated in this section shall be

used to process a Commodity Credit loan which is in excess of \$50,000."

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 262, nays 165, not voting 7, as follows:

[Roll No. 47]

YEAS—262

Adair	Forand	Moeller
Addonizio	Ford	Monagan
Alger	Frelinghuysen	Montoya
Allen	Friedel	Moore
Andersen,	Fulton	Moorhead
Minn.	Gallagher	Morris, N. Mex.
Anderson,	Garritz	Mumma
Mont.	Gary	Nelsen
Arends	Gavin	Norblad
Ashley	Glaimo	O'Brien, N.Y.
Auchincloss	Glenn	O'Hara, Mich.
Avery	Gray	O'Konski
Ayres	Green, Oreg.	O'Neill
Baldwin	Griffin	Oliver
Barr	Griffiths	Osmers
Barry	Gross	Ostertag
Bass, N.H.	Gubser	Pelly
Bates	Haley	Pfost
Baumhart	Halleck	Philbin
Becker	Halpern	Pillion
Beckworth	Hargis	Pirnie
Belcher	Harrison	Poff
Bennett, Fla.	Hays	Porter
Bennett, Mich.	Hechler	Price
Bentley	Henderson	Pucinski
Berry	Hess	Quile
Betts	Hiestand	Quigley
Boggs	Hoeven	Rabaut
Boland	Hoffman, Ill.	Randall
Bolton	Hoffman, Mich.	
Bosch	Holt	Ray
Bow	Holtzman	Rees, Kans.
Bowles	Horan	Reuss
Boyle	Hosmer	Rhodes, Ariz.
Brademas	Irwin	Rhodes, Pa.
Bray	Jackson	Riehlman
Brewster	Jensen	Rivers, Alaska
Brock	Johansen	Robison
Broomfield	Johnson, Md.	Rodino
Brown, Ohio	Johnson, Wis.	Rogers, Colo.
Broyhill	Jonas	Rogers, Fla.
Budge	Judd	Rogers, Mass.
Burdick	Karth	Roosevelt
Bush	Kastenmeier	Roush
Byrnes, Wis.	Kearns	Rutherford
Cahill	Keith	St. George
Canfield	Kelly	Saylor
Carter	Kilburn	Schenck
Casey	Kilday	Scherer
Cederberg	King, Calif.	Schwengel
Chamberlain	King, Utah	Shipley
Chenoweth	Knox	Short
Chiperfield	Kowalski	Simpson, Ill.
Church	Lafore	Simpson, Pa.
Coad	Lane	Smith, Calif.
Coffin	Langen	Smith, Iowa
Cohelan	Latta	Springer
Collier	Lesinski	Stratton
Conte	Levering	Sullivan
Cook	Lindsay	Taber
Corbett	Lipscomb	Taylor
Cramer	Loser	Teague, Calif.
Cunningham	McCulloch	Thomas
Curtin	McDonough	Thompson, N.J.
Curtis, Mass.	McDowell	Thomson, Wyo.
Curtis, Mo.	McGinley	Tollefson
Daddario	McGovern	Udall
Dague	McIntire	Utt
Daniels	Macdonald	Vanik
Delaney	Machrowicz	Van Pelt
Derounian	Mack, Ill.	Van Zandt
Derwinski	Mack, Wash.	Wainwright
Devine	Magnuson	Wallhauser
Diggs	Mailliard	Walter
Dingell	Martin	Wampler
Dixon	Mason	Weaver
Donohue	May	Weis
Dooley	Meador	Westland
Dorn, N.Y.	Merrow	Wharton
Dowdy	Metcalf	Whitall
Dwyer	Meyer	Wier
Fallon	Michel	Wilson
Fascell	Miller	Withrow
Feighan	Clement W.	Wolf
Fenton	George P.	Wright
Fino	Miller, N.Y.	Yates
Fisher	Milliken	Younger
Flynn	Minshall	Zablocki
Foley		

NAYS—165

Abbt	Fountain	Murray
Abernethy	Frazier	Natcher
Albert	Gathings	Norrell
Alexander	George	O'Brien, Ill.
Alford	Grant	O'Hara, Ill.
Andrews	Green, Pa.	Passman
Anfuso	Hagen	Patman
Ashmore	Hall	Perkins
Aspinall	Hardy	Picher
Bailey	Harmon	Poage
Baker	Harris	Powell
Barden	Healey	Preston
Baring	Hébert	Prokop
Barrett	Hemphill	Rains
Bass, Tenn.	Herlong	Reece, Tenn.
Blatnik	Hogan	Riley
Blitch	Holifield	Rivers, S.C.
Bolling	Holland	Rogers, Tex.
Bonner	Huddleston	Rooney
Boykin	Hull	Rostenkowski
Breeding	Ikard	Santangelo
Brooks, La.	Jarman	Saund
Brooks, Tex.	Jennings	Scott
Brown, Ga.	Johnson, Calif.	Selden
Brown, Mo.	Johnson, Colo.	Shelley
Buckley	Jones, Ala.	Sheppard
Burke, Ky.	Jones, Mo.	Sikes
Burke, Mass.	Karsten	Siler
Burleson	Kasem	Sisk
Byrne, Pa.	Kee	Slack
Cannon	Keogh	Smith, Kans.
Carnahan	Kilgore	Smith, Miss.
Celler	Kirwan	Smith, Va.
Chelf	Kitchin	Spence
Clark	Kluczynski	Staggers
Cooley	Landrum	Steed
Davis, Ga.	Lankford	Stubblefield
Davis, Tenn.	Lennon	Teague, Tex.
Dawson	Libonati	Teller
Dent	McCormack	Thompson, La.
Denton	McFall	Thompson, Tex.
Dollinger	McMillan	Thornberry
Dorn, S.C.	McSweeney	Toll
Downing	Madden	Trimble
Doyle	Mahon	Tuck
Dulski	Marshall	Ullman
Durham	Matthews	Vinson
Edmondson	Mills	Watts
Elliott	Mitchell	Whitener
Everett	Morgan	Whitten
Evins	Morris, Okla.	Williams
Farbstein	Moss	Willis
Flood	Moulder	Winstead
Flynt	Multer	Young
Forrester	Murphy	Zelenko

NOT VOTING—7

Colmer	Laird	Nix
Fogarty	Morrison	Roberts
Granahan		

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

Mr. Laird with Mr. Morrison.

Mr. Fogarty with Mrs. Granahan.

Mr. MACHROWICZ changed his vote from "nay" to "yea."

Mr. BAKER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. WHITTEN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. WHITTEN. Mr. Speaker, in my opinion, by the adoption of this motion the benefits of the farm program are destroyed and it will cost double to the Government. Do I have any discretion as to when I would be required to offer an amendment in accordance with the instructions of the House?

The SPEAKER. Under the motion offered by the gentleman from New York, the gentleman must do it forthwith.

Mr. WHITTEN. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I report back the bill H.R. 7175 with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Provided further, That no funds appropriated in this section shall be used to process a commodity credit loan which is in excess of \$50,000.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

HOUSING ACT OF 1959

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 57, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 19, page 89, which is the first section of the committee amendment.

Mr. HERLONG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERLONG: Strike out all after the enacting clause and insert in lieu thereof the text of H.R. 7117, as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Housing Act of 1959'.

"TITLE I—FHA INSURANCE PROGRAMS

"Property improvement loans

"SEC. 101. Section 2(a) of the National Housing Act is amended by striking out 'September 30, 1959' and inserting in lieu thereof 'October 1, 1960'.

"Section 203 residential housing insurance

"SEC. 102. (a) (1) Section 203(b) (2) of the National Housing Act is amended by striking out '\$20,000' and inserting in lieu thereof '\$25,000'.

"(2) Section 203(b) (2) of such Act is further amended—

"(A) by striking out '85 per centum' and inserting in lieu thereof '90 per centum';

"(B) by striking out '\$16,000' each place it appears and inserting in lieu thereof '\$18,000'; and

"(C) by striking out '70 per centum' and inserting in lieu thereof '75 per centum'.

"(b) Section 203(b) (3) of such Act is amended by striking out 'thirty years' and inserting in lieu thereof 'thirty-five years'.

"(c) Section 203(b) (8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided, That such 85 per centum limitation shall not be

bill regardless of the outcome of this vote.

All that is involved here is how we handle appropriations. If you will forgive a personal reference, this will come before the gentleman from Illinois and the rest of us on independent offices, and I do not think any Member has said they have suffered too much at our hands.

My good friend from California read a list of veterans' items and said they might be in danger. My friend was confused, because the money for every item he read off, education, pensions, and compensation, and all that, is appropriated every year, and that is all we are asking you to do here, to have the money appropriated by the Congress and not let the agency go to the back door of the Treasury.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. SISK. I believe the statement of the gentleman from California was to the effect that these programs started as a public debt transaction and may have been adversely affected had they been forced to get their money through the appropriations process. Would the gentleman agree with that?

Mr. THOMAS. Has anybody in this House ever been unfriendly to the veterans' interests? Why, of course not.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. HAYS. I just wonder if the gentleman offered this same amendment to the Export-Import Bank bill, and if he did not, why he did not?

Mr. THOMAS. No, I did not. The gentleman is right. I cannot keep up with my good friends on the Banking and Currency Committee 100 percent; to do it would keep me going 24 hours a day. These brethren are able, and lovable, and quick on their feet, and quick witted, too.

Something was said about the Space Agency. Let us straighten that out. Do you know that every quarter the Space Agency has is appropriated? All you are doing in these amendments is to say that Congress should appropriate the money, that is all.

Mr. Chairman, let us retrieve back the appropriating power of the Congress and put it in Congress' hands. That is where your people want it. They voted for you to handle the purse strings; now, let us handle them.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCormack].

Mr. McCormack. Mr. Chairman, there is no more able or adroit debater in the Congress than my friend from Texas [Mr. Thomas]. Unless you think objectively, he is liable to lull you to sleep and in your period of sleep convince you to do something that would be responsive to his wishes but would not be carrying out your own views.

There is nothing new in this question before the Committee at this time. We settled it in the airport bill. We had it up at that time. We had the same question in connection with direct loans to veterans. It is involved in the Commodity Credit Corporation where \$14,500 million has been authorized by the Con-

gress, where they can issue bonds with provisions for the Treasury, if necessary, to pay the bonds. That is a direct debt transaction.

We do not see any of our friends when legislation comes up relating to the Commodity Credit Corporation offering this sort of amendment, particularly those who come from farm areas. We from the cities appreciate the necessity of direct debt transactions in the case of the Commodity Credit Corporation, so that we would not offer such an amendment and we would oppose such an amendment if offered.

There is the Federal Farm Mortgage Corporation, the National Mortgage Association, the Housing and Home Finance Administration, the International Cooperation Administration, and there is the Rural Electrification.

The Congress can work its will. We are working the will of the Congress now. The committee has reported out a bill with certain provisions. The gentleman from Texas has offered an amendment. So we have the opportunity of working the will of the House now, whether we will follow the course in connection with these important activities as provided by the House bill or we will adopt the amendments offered by the gentleman from Texas [Mr. Thomas]. So the House is going to work its will.

Mr. Chairman, I respect the Committee on Appropriations. I realize the power of the Committee on Appropriations, I realize that money is power, and I have felt the impact of it. But I also believe that the standing committees of the House of Representatives should not be put in a subordinate position to the Committee on Appropriations.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas [Mr. Thomas].

The question was taken, and a division (demanded by Mr. Thomas) there were—ayes 135, noes 145.

Mr. THOMAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Thomas and Mr. RAINS.

The Committee again divided and the tellers reported that there were—ayes 149, noes 145.

So the amendments were agreed to.

Mr. RAINS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, had come to no resolution thereon.

AGRICULTURAL APPROPRIATION BILL

Mr. COOLEY. Mr. Speaker, the amendment to the Agricultural Appropriations bill submitted by the gentle-

man from New York [Mr. TABER], and which has just been approved by the House, would utterly and completely destroy the farm program—if it becomes law and accomplishes what it proposes to do.

The injury and the hurt, the privations from loss of income, would fall heaviest upon the family farms of America.

Certainly I am not carrying the torch for large producers. We have more small farmers in my State of North Carolina than in any other State of America. We have more people living on the farm in North Carolina than in any other State. My primary interest is, of course, in little farmers, those who live upon and earn their living upon the family farms of our country. Most of all, I am interested in a successful and well-operated Federal farm program. I know and I understand the far-reaching and devastating effect of the amendment offered by Mr. AVERY of Kansas which was included in Mr. TABER's motion to recommit.

I cannot believe that the author of this amendment intended to make the \$50,000 limitation applicable to price support loans to cooperatives, as well as to individual farmers, but he must admit that that is exactly what the amendment will do.

This is just another illustration and rather dramatic demonstration of the fact that we should never attempt to write legislation into an appropriations bill. I know that this amendment might be very well called a limitation rather than legislation but, after all, it makes a very definite and drastic change in the true intent and meaning of the legislation which has been approved by the Congress and is now a vital part of our farm program.

I am certain that many Members voted for this amendment, honestly and sincerely believing that they were doing the right thing. We are told that the road to hell is paved with good intentions. Regardless of good intention, the fact remains that if this amendment should finally be enacted into law, the farm program will abruptly end.

Moreover, the amendment represents a breach of faith with the farmers of this country. It would prevent the Department of Agriculture from carrying out its price support obligations on 1959 crops—most of which are already planted.

Under the amendment, no Commodity Credit Corporation price support loan could be processed which is in excess of \$50,000. This would disrupt orderly marketing. It would force dumping of farm commodities upon the markets. It would weaken the price structure of agriculture.

The sponsors of this proposition indicate that their intention is to limit price supports to large farmers. But in doing so, as the Taber amendment has now been approved by the House, the greater hardships would be visited upon the family farmers, who now are hardly able to make ends meet.

Mr. Speaker, I know that many Members of this body who voted for this

proposition were persuaded to believe that they were advancing the cause of the family farm system in agriculture, and they believed that farm programs should be drawn and designed primarily to perpetuate this system which in the early years of this Republic established the economic foundation of the free enterprise system, and which down through the years has contributed so much to our spiritual, social and political vitality.

Such is my own philosophy, and this is the dominant consideration in all my efforts to create national policies enabling the establishment of a sound and profitable agriculture.

But, Mr. Speaker, I repeat and I reemphasize that this amendment is not helpful—it is inimical, it is adverse—to the interest of the family structure in our agriculture.

The amendment will limit price support operations not only for big farmers but also for hundreds of thousands of small farmers in every part of the country who receive their stabilization loans through cooperatives.

The amendment places a \$50,000 maximum on any loan, including those made to cooperatives, even though the cooperative may represent, as some of them do, virtually all the farmers producing a commodity. It would thus virtually eliminate price support operations for all those farmers who operate through cooperatives.

Mr. Speaker, even Mr. Benson, with whom I vigorously disagree on most matters relating to agriculture, recognizes the weakness of the proposition as it has been approved by the House.

When the amendment was presented I called upon Mr. Benson for a statement of his position upon it. I have a letter from the Secretary, just handed to me, in which he has this to say:

Before the Congress finally enacts the appropriations bill, consideration will no doubt be given to amendments which would cover purchase agreements as well as loans, to make clear where support operations are carried out through farmer cooperatives that any limitation imposed would not apply to cooperatives, as such, and to other perfecting amendments.

I just have received, also, a telegram from Mr. Herschel D. Newsom, master of the National Grange, one of our greatest farm organizations, and I now read this message to the House:

Even though there may seem to be superficial basis for Taber amendment, Grange vigorously urges its defeat. Such amendment fails to recognize real cause of difficulties and undesirable results of present program.

Until more basic change can be made such amendment would increase rather than diminish the undesirable effects of present method of price support. Grange is determined to make basic changes and corrections in farm program as your committee well knows, but Taber amendment will neither constitute nor improve prospect of sound change.

Mr. Speaker, substantial changes in the farm program are now being drafted by the appropriate legislative committees, in an effort to adjust this program to the changing conditions in agricul-

ture. Drastic changes in the program, if they are to be adopted, should be brought about by careful consideration of this legislation—not by hasty action in the Congress with absolutely no opportunity for debate or consideration.

A great part of agriculture is now in dire circumstances. Mr. Benson tells us that farmers must expect another income cut this year of 5 to 10 percent, at a time when all other elements of our national economy are experiencing unprecedented prosperity. Our farm families deserve better treatment at the hands of their Government. Their problems are entitled to the thorough and sympathetic consideration of the Congress.

The Avery amendment which was incorporated in the Taber motion to recommit was briefly debated and defeated in the Committee of the Whole. At the end of the day and at the end of the debate, the motion to recommit was offered and the previous question was ordered. The House then adjourned and no further debate was possible. I could not even be recognized for a 1-minute speech to explain the effect of the proposition, nor for the purpose of making a point of order. This was the parliamentary situation at the time the vote was taken. I am quite certain that the amendmen in its present form, when well understood, will not be approved by the other body—which the rules of the House will not permit me to mention.

NINETEEN HUNDRED AND FIFTY-SEVEN CROP LOANS

(Mr. CURTIS of Missouri asked and was given permission to extend his remarks at this point in the RECORD, to revise and extend his remarks, and to include tables.)

Mr. CURTIS of Missouri. Mr. Speaker, each year for the past few years former Congressman Brownson, of Indiana, or I have placed in the RECORD a list of the producers receiving the largest amounts in crop loans. The 1957 list for corn, wheat, cotton, and rice was not available until after Congress adjourned and so was not placed in the RECORD last year.

The amount of crop loans has become the subject for the motion to recommit the agricultural appropriation bill; and, accordingly, I believe the RECORD should contain the 1957 list.

It follows:

U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION

Producers with the largest quantity of corn placed under loan on the 1957 crop

Name of producer and address	Quantity	Amount
ALABAMA		
T. J. Jones, Jr., Marion.....	10,168	\$14,194.68
Jack S. Butler, Fayette.....	5,748	8,047.20
Guy L. Gannaway, Lincoln.....	5,541	7,757.40
Donald L. Pierce, Wetumpka.....	5,223	7,312.00
W. R. Lingerfelt, Fyffe.....	5,866	7,215.18
Estimated State average per corn loan.....		847.33

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
ARIZONA		
Jim Veck, Willcox.....	9,492	\$14,142.63
Dunagan Bros., Willcox.....	8,287	12,099.21
Dale G. King, Willcox.....	7,900	11,770.55
Grant Anderson, Willcox.....	4,429	6,510.34
B. M. Jacob, Willcox.....	3,355	5,043.35
Estimated State average per corn loan.....		6,726.00
ARKANSAS		
C. R. West, Marianna.....	11,990	16,946.49
Nickey Bros., Memphis, Tenn.....	7,434	10,407.69
Cedric Lee, Dumas.....	7,327	10,275.84
Earl Wells & Son, Helena.....	6,100	8,540.61
Frank T. Griffen.....	5,860	8,054.24
Estimated State average per corn loan.....		2,185.00
CALIFORNIA		
H. H. Peterson & Sons, Inc., Chico.....	29,637	42,514.28
W. H. Wright, Chico.....	28,757	40,927.27
George Stutz, Red Bluff.....	26,057	35,411.46
George M. Beck, Vina.....	25,833	30,250.98
George M. Stutz, Chico.....	18,846	27,034.58
Estimated State average per corn loan.....		27,789.00
COLORADO		
Leonard Feldhausen, Burlington.....	26,107	34,200.17
B. H. & R. K. McConnell, Fort Morgan.....	20,597	26,213.36
Orville Chapin, Burlington.....	18,445	24,162.95
Kenneth Hitchcock, Burlington.....	17,640	23,108.40
Rothe Bros., Greeley.....	14,617	19,148.27
Estimated State average per corn loan.....		2,300.00
DELAWARE		
Draper Foods Inc., Milford.....	5,832	9,039.60
Randall C. Willin, Seaford.....	3,666	5,682.30
Wilson E. Campbell, Dagsboro.....	1,850	2,867.50
William I. Handy, Seaford.....	1,828	2,833.40
W. H. Draper, Milford.....	1,333	2,066.15
Estimated State average per corn loan.....		3,575.00
FLORIDA		
B. F. Blanton, Lee.....	2,228	3,118.65
E. H. Finlayson, Greenville.....	1,019	1,426.60
R. C. Peacock & Sons, Campbellton.....	966	1,275.09
G. A. Armistead, Monticello.....	926	1,296.93
C. W. Whitener, Westville.....	889	1,137.69
Estimated State average per corn loan.....		998.00
GEORGIA		
Bateman Co., Inc., Macon.....	11,880	16,632.00
Logue Bros., Climax.....	7,616	9,934.48
Gus S. Moore, Resaca.....	8,115	11,361.00
Waldo Ewing, Fitzgerald.....	11,080	14,292.70
Wade Plantation, Sylvania.....	7,642	11,004.65
Estimated State average per corn loan.....		1,459.21
IDAHO		
R. Joseph Hawes, Grandview.....	16,779	23,826.18
Elmer O. Barlow, Marsing.....	12,245	17,387.90
Dale Gilbert, Grandview.....	10,148	14,410.16
Hipwell Bros., Grandview.....	9,860	14,001.20
D. O. Bybee, Nyssa, Oreg.....	6,656	9,451.52
Estimated State average per corn loan.....		1,418.00
ILLINOIS		
Cote Farms, Inc., St. Anne.....	64,448	90,871.68
A. T. Jessie, John, and Edward C. Summer, Jr., Milford.....	58,106	82,672.38
Scully Estate, Dwight.....	51,603	72,622.73
Martha W. Livingston and F. L. Livingston, Chatsworth.....	35,200	49,055.00
Rust Farm Co., Bloomington.....	43,401	48,609.12
Estimated State average per corn loan.....		2,363.00

operated flights that could have carried the same band over the same route at less cost to the taxpayers.

The Hoover Commission has further noted, that the \$42.9 million airline subsidy for fiscal 1954 could have been reduced by 88 percent if the airlines had flown only 25 percent of the passengers and 50 percent of the mail moved by MATS over this same period.

The intent of Congress for fiscal 1958 that the Government should to the greatest extent practicable adjust its use of air transportation so as to use the existing, unutilized capacity of United States air carriers has been established. It remains now to be seen how the operators of military transportation will try to adhere to this established intent and refrain from trying to build up the plush operations of the military air fleet.

DEDICATION OF AVCO, WILMINGTON, MASS.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall include in my remarks a very fine dedicatory address at the dedication of AVCO, in Wilmington, in my district; also two speeches delivered there. And I ask unanimous consent that they may all be placed in the permanent Record with the remarks that I made on Monday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL EXPLANATION

Mr. BARRY. Mr. Speaker, on rollcall No. 46 I was unavoidably detained. Had I been present, I would have voted "yea." I ask unanimous consent that the RECORD so indicate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TRANSFER OF REMARKS FOR THE PERMANENT RECORD

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the remarks I made the other day on the floor of the House in Committee, and which were printed in the Appendix, may hereafter be printed at the proper place in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LIMITATION OF \$50,000 ON CCC LOANS

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MICHEL. Mr. Speaker, I am delighted with the earlier vote today recommitting the agricultural appropriation bill with instructions to write into the bill, in effect, a denial of any funds to process CCC loans in excess of \$50,000.

On short notice, it is difficult to get from the Department of Agriculture the figures which could shed some light on precisely what the effect of this limitation would be, but so far as I can determine for only those commodities and States serviced by the Kansas City Data Processing Center 222 loans would be involved, exclusive of cotton and tobacco. These 222 loans total \$30,732,000. By simple arithmetic, if we subtract the first \$50,000 of each of these 222 loans from the total figure, we have a net figure of \$19,632,000 affected by the limitation. The Agriculture Department estimates there is at least this much more involved in those commodities for which exact figures were not readily available. This gives in the overall, then, a dollar figure approximating \$40 million.

Mr. Speaker, while this language change is not perfect and will undoubtedly be refined in the other body to exempt farmer cooperatives the intent and purpose of this limitation is good and certainly puts us in the position of taking a step in the right direction. As a matter of fact I am reminded of a message from the President relative to agriculture dated January 9, 1956, which reads as follows:

The average size of farms in American agriculture, as measured by capital or by acres, has rapidly increased. To the degree that this trend is associated with the development of more economic and more efficient farm units it is in the interest of farm families and of the Nation. To the degree, however, that it has resulted in the removal of risk for large farm businesses by reason of price supports, it is much less wholesome and constitutes a threat to the traditional family farm.

Under the price support machinery as it has been functioning, price support loans of tremendous size have occasionally occurred. It is not sound Government policy to underwrite at public expense such formidable competition with family operated farms, which are the bulwark of our agriculture.

I ask the Congress to consider placing a dollar limit on the size of price support loans to any one individual or farming unit. The limit should be sufficiently high to give full protection to efficiently operated family farms.

The language in the motion to recommend was manifestly an effort to carry out such an objective.

PREVENTING ENCROACHMENT OF HOLDING COMPANIES IN SAVINGS AND LOAN FIELD

(Mr. SPENCE asked and was given permission to extend his remarks at this point.)

Mr. SPENCE. Mr. Speaker, yesterday I introduced H.R. 7244 to prevent the encroachment of holding companies into the savings and loan field. This measure is identical with H.R. 4135, which passed the House unanimously 2 years ago, after having the unanimous approval of the Banking and Currency Committee. That bill, instead of receiving individual treatment on the Senate side, was included in the omnibus Financial Institutions Act of 1957, which passed the Senate but died in committee on the House side. In light of that

history, the measure I have introduced has, in truth, had the approval of both Houses of Congress, but has failed to become law and must be started anew on its legislative course. Then, as now, it had the support of the Federal Home Loan Bank Board and of the two leagues representing the savings and loan business, although I anticipate that these groups may have some recommendations for refinements to the measure.

I am convinced of the urgency behind this bill, and seek the support of all segments in helping me to speed it on its way to become law. Two years ago I called attention to the imminency of developments in the savings and loan field which would militate against the essentially local character of that business. The acquisition of stock ownership in the nonmutual associations which are included in the business has posed the threat that groups of such associations would come under central control of financial interests whose primary concern would be the promotion of stock prices rather than the proper development of the capacity of these institutions to properly serve the needs of their respective communities.

The holding company has no place in the savings and loan field. The strength of savings and loan associations, and the high regard they have acquired, is derived from their local management, local responsibility and local operation. The men who manage these institutions must be familiar with their community needs and maintain a civic responsibility. They must continue to think about what is good for the community and for the home owning families, rather than think merely of possible profit involved. We can hardly expect a holding company owned by people thousands of miles from a community to concern itself with the social and economic objectives of the community.

When I first introduced this bill, holding company operation was in its very infancy. In recent months, though, there has been a wave of new activity of holding companies in acquiring and proposing to acquire savings and loan associations. I understand that six holding companies have been formed in California alone within the past 6 months. When we held our hearings 2 years ago there were but two companies. I am further informed that holding companies have now spread their operations from California to Colorado and Texas.

I have heard another estimate that there are now as many as 20 or 30 holding companies either in operation or in the process of formation.

If we are to retain the savings and loan business as we know it and as it has so effectively served the Nation's homeowners, we must act with great speed. We all recall that the passage of legislation to regulate bank holding companies was made infinitely more difficult because the Congress delayed so long that the holding companies were large, powerful, and well entrenched.

My bill is not a complicated one. It would simply prohibit a holding company from acquiring control of more than one insured savings and loan association. It does not contain the com-

plicated regulatory and tax features of the bank holding company bill. It does not affect holding companies in operation at the time of enactment, although it would, of course, prevent them from acquiring further institutions.

I hope that the Congress will act expeditiously on the matter so that the bill can become law this year.

AFRICA FREEDOM DAY

(Mr. DIGGS asked and was given permission to extend his remarks at this point.)

Mr. DIGGS. Mr. Speaker, on April 15 one of the most stirring celebrations of Africa Freedom Day took place at Carnegie Hall, New York. The event in New York was one of like observance held around the world further focusing attention upon the dramatic and phenomenal drive for African nationalism now taking place on that continent. Other sites of similar gatherings were in our Nation's Capital, in London, in Paris, capitals of independent African States, and elsewhere.

Peoples of all colors, creeds, nationalities and status filled Carnegie Hall to capacity, paying upward of \$25 for a seat, and lines of persons were turned away. The Africa Freedom Day celebration in New York represented part of the response to a call for such an observance which emanated from the Conference of Independent African States held at Accra, Ghana, in April 1958. Confirmed at the unprecedented assembly of representatives from 28 African countries at the All-African Peoples' Conference which I attended in Accra last December, the call designated that:

April 15 should be set aside and called Africa Freedom Day, which all African countries and all friends of Africa throughout the world shall observe as a rallying point for the forces of freedom.

Tom Mboya, described by Life magazine as "the most powerful political personality in Kenya, and among the most important in all Africa," member of Kenya's Legislative Council and secretary-general of the Kenya Federation of Labor, was the principal speaker for the occasion. As a contribution to the African Freedom Fund, a check for \$10,000, partly raised through this effort, was presented Mr. Mboya by the American Committee on Africa, sponsor of the New York celebration.

I should like to call to the attention of my colleagues the speech made by Mr. Mboya and the speech made by Gov. G. Mennen Williams, of Michigan, on this occasion. Both put the African situation and African-American relations in proper context. I urgently commend these speeches to the reading of all citizens that we might come to a full appreciation of our national stake in this African cause:

AFRICAN FREEDOM DAY

(Address by Hon. Tom Mboya, chairman, All African Peoples' Conference, April 15, 1959)

Mr. Chairman, your Excellencies, ladies and gentlemen, I am glad to be in New York to launch today the worldwide celebration of African Freedom Day. April 15 was de-

cided upon as African Freedom Day at the first Conference of the Independent African States held in Accra in April 1958, and was later endorsed by the first All-African Peoples' Conference, also held at Accra in December of last year. These conferences marked the discovery of Africa by Africans. This is in complete contrast to the discovery of Africa by Europeans in the 19th century.

What is this Africa and what do we mean by the word "freedom"? This is what many of us are thinking and talking about today throughout the world. Africa is still associated in the minds of many people in the United States and some European countries with the 19th century. They think of the dark continent, the jungles, the wild beasts, the Africa as presented to them by Hollywood—the fierce, ignorant, or merrily and furiously dancing tribesmen. Little is it realized that Africa, too, shares in what we call the 20th century: modern cities, schools, roads, airfields, houses, cars, and so on. As we celebrate this day, therefore, we might usefully stop and ponder these questions.

Africa desires to be understood and to be recognized from the viewpoint and perspective of her own people. Africa is no longer willing to be referred to as British, French, Belgian, or Portuguese Africa. Africa must create and assert her own personality and speak for herself. She cannot be a projection of Europe nor any longer permit herself to be interpreted or spoken for by self-appointed interpreters.

It was this conviction that moved African statesmen and political and trade union leaders to hold the two conferences at Accra that will no doubt mark out 1958 as Africa's year.

AFRICA EMERGENT

The Conference of Independent African States marked the birth of the African personality. The representatives of the African states at Accra unanimously agreed on the need for Africa to rise and be heard at all the councils of world affairs; and to effectuate this objective they created the Organization of African States, which now consults on all questions affecting Africa before the U.N., and which represents the united will of all Africans on such issues. Equally important was their decision that Africa's total liberation was the task for all Africans.

To implement the latter decision non-governmental representatives of African people from the entire continent met at the All-African Peoples' Conference in Ghana last December. That conference gave birth to the African community. By unanimous vote all 500 delegates from political parties, nationalist organizations, trade unions, and similar groups from every part of Africa—agreed to work together in full cooperation for the total liberation of all Africa.

Thus both conferences were characterized by a spirit of unity based upon same, predominant concepts and ideals—above all, those expressed in the common purpose: independence for all Africa. There was agreement that the independence of one territory is incomplete and meaningless unless it is accompanied by total independence for all territories. This, indeed, was but the practical application of the moral principle expressed earlier and more elegantly that "no man is an island," and less elegantly but in language every American recognizes—that "we must all hang together lest we hang separately."

The year, 1958, also saw the inauguration of the United Nations Economic Commission for Africa at Addis Ababa in Ethiopia. This marked, in fact, the U.N.'s functional recognition of Africa's legitimate place and role in the world's economic and social community and was another useful addition to the 20th century discovery of Africa. It provided a long delayed vehicle for Pan-African economic planning and coordination.

There are those who complain that the discovery of Africa and the African personality and community by Africans is taking place at too fast a pace. Such people should be reminded that Africa is many years behind the rest of the world and that, in these circumstances, we cannot afford the luxury of wasting time. They might well remember the old but true adage that "he who is behind must run faster than he who is in front." In the case of Africa we do not only have to run faster but we have, at the same time, to try to avoid the mistakes and pitfalls of those who "run before us," a considerable addition to our task. Let any believe we are really running too fast, let me recall to them that colonialism has existed in Africa for over four centuries.

Most people seem to agree that colonialism is on its way out. It is, therefore, doubly difficult to understand why nations which are signatories to the United Nations Charter and which have committed themselves to the Declaration of Human Rights have not found it possible to give effective support to the African's struggle for freedom. Most of them have been noted for their compromising attitude and their desire to please the colonial powers or each other at the expense of democracy and human rights. How can anyone honestly believe that a compromise is possible where human rights, democracy and Christian ideals are concerned and still expect the African to have confidence and faith in him?

Of 220 million Africans only 70 million live in independent states free of white minority domination. The rest have yet to be liberated from colonialism and European domination. Surveying the situation of the 50 million people still not free one will immediately see what the African talks about when he condemns colonialism and European settler domination.

THE KENYAN SITUATION

Take my own country, Kenya. Until the Mau Mau eruption, few people had heard of Kenya, and today few understand its basic problems—most of them created by British colonialism.

Politically speaking, the British Government has, through its colonial office, toadied to the European settlers and condoned it not encouraged their domination of every phase of life. Today 60,000 Europeans are, under the present constitution, represented by the same number of elected members (14) as are the country's 6 million Africans. Although the Europeans have since 1923 voted on the basis of universal suffrage, Africans are restricted to an entirely arbitrary, multiple vote franchise, which is unrelated not only to the standards for white and Asian voters, but also to those set for African voters in surrounding British territories. Thus the bewildered Kenya African may vote if he has an annual income of \$336, and may cast no more than two additional votes if he meets certain other requirements, whereas in adjoining Uganda, literacy in the vernacular is enough to qualify an African to vote, but he is, however, never entitled to a multiple vote. On the other hand, the income requirements for African voters are \$420 in Tanganyika and \$2,100 in the Rhodesias. Such standards, arbitrary in the extreme, have served only to suggest to Africans in Kenya and elsewhere that they are being cheated and frustrated in their basic democratic right of franchise.

Economically, the Government has until recently, forbidden Africans to raise the profitable cash crops (coffee, tea, sisal, etc.), and even now it subjects them to discriminatory licensing, credit, and other restrictions, which are not applied to Europeans. Far more serious to the Africans, the Government has reserved the entire cool, fertile highlands for white settlers only—refusing to allow Africans to farm even unoccupied

86TH CONGRESS
1ST SESSION

H. R. 7175

IN THE SENATE OF THE UNITED STATES

MAY 21, 1959

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1960; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, and home economics, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$10,000, except for five buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one

1 building during the fiscal year shall not exceed \$3,750 or 4
2 per centum of the cost of the building, whichever is greater:

3 Research: For research and demonstrations on the pro-
4 duction and utilization of agricultural products, home eco-
5 nomics, and related research and services, including admin-
6 istration of payments to State agricultural experiment sta-
7 tions; \$63,961,590: *Provided*, That the Secretary is author-
8 ized to acquire from the Department of the Army without
9 reimbursement land and improvements at Orlando, Florida,
10 to be transferred pursuant to the Federal Property and Ad-
11 ministrative Services Act of 1949, as amended: *Provided fur-*
12 *ther*, That the limitations contained herein shall not apply
13 to (a) replacement of buildings needed to carry out the
14 Act of April 24, 1948 (21 U.S.C. 113a), or (b) not to
15 exceed \$739,000 for the construction and alteration of
16 buildings: *Provided further*, That the Secretary is author-
17 ized to acquire by donation lands necessary for the con-
18 struction thereof;

19 Plant and animal disease and pest control: For oper-
20 ations and measures, not otherwise provided for, to control
21 and eradicate pests and plant and animal diseases and for
22 carrying out assigned inspection, quarantine, and regulatory
23 activities, as authorized by law, including expenses pursuant
24 to the Act of February 28, 1947 (21 U.S.C. 114b-d),

1 \$48,340,600, of which \$1,500,000 shall be apportioned for
2 use pursuant to section 3679 of the Revised Statutes, as
3 amended, for the control of outbreaks of insects and plant
4 diseases to the extent necessary to meet emergency con-
5 ditions;

6 Meat inspection: For carrying out the provisions of
7 laws relating to Federal inspection of meat, and meat-food
8 products, and the applicable provisions of the laws relating
9 to process or renovated butter, \$21,135,100;

10 Special fund: To provide for additional labor to be
11 employed under contracts and cooperative agreements to
12 strengthen the work at research installations in the field, not
13 more than \$1,000,000 of the amount appropriated under
14 this head for the fiscal year 1959 may be used by the Ad-
15 ministrator of the Agricultural Research Service in the fiscal
16 year 1960, the amount so used to be transferred to and
17 merged with the appropriation otherwise available under
18 "Salaries and expenses, Research".

19 STATE EXPERIMENT STATIONS

20 Payments to States, Hawaii, and Puerto Rico: For pay-
21 ments to agricultural experiment stations to carry into effect
22 the provisions of the Hatch Act, approved March 2, 1887,
23 as amended by the Act approved August 11, 1955 (7
24 U.S.C. 361a-361i), including administration by the United
25 States Department of Agriculture, \$31,053,708; and pay-

1 ments authorized under section 204 (b) of the Agricultural
2 Marketing Act, the Act approved August 14, 1946 (7
3 U.S.C. 1623), \$500,000; in all, \$31,553,708.

4 Penalty mail: For penalty mail costs of agricultural ex-
5 periment stations under section 6 of the Hatch Act of 1887,
6 as amended, \$250,000.

7 DISEASES OF ANIMALS AND POULTRY

8 Eradication activities: For expenses necessary in the
9 arrest and eradication of foot-and-mouth disease, rinderpest,
10 contagious pleuro-pneumonia, or other contagious or infec-
11 tious diseases of animals, or European fowl pest and similar
12 diseases in poultry, and for foot-and-mouth disease and rinder-
13 pest programs undertaken pursuant to the provisions of the
14 Act of February 28, 1947, and the Act of May 29, 1884, as
15 amended (7 U.S.C. 391; 21 U.S.C. 111-122), including
16 expenses in accordance with section 2 of said Act of Febru-
17 ary 28, 1947, the Secretary may transfer from other appro-
18 priations or funds available to the bureaus, corporations, or
19 agencies of the Department such sums as he may deem
20 necessary, to be available only in an emergency which
21 threatens the livestock or poultry industry of the country,
22 and any unexpended balances of funds transferred under
23 this head in the next preceding fiscal year shall be merged
24 with such transferred amounts: *Provided*, That this appro-
25 priation shall be subject to applicable provisions contained

in the item "Salaries and expenses, Agricultural Research Service".

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States, Hawaii, and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), \$52,220,000; and payments and contracts for such work under section 204 (b) -205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, \$53,715,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State, Hawaii, or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, \$5,674,375.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,491,307.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), and extension aspects of the Agricultural

1 Marketing Act of 1946 (7 U.S.C. 1621-1627), and to co-
2 ordinate and provide program leadership for the extension
3 work of the Department and the several States, Territories,
4 and insular possessions, \$2,242,540.

5 FARMER COOPERATIVE SERVICE

6 SALARIES AND EXPENSES

7 For necessary expenses to carry out the Act of July 2,
8 1926 (7 U.S.C. 451-457), \$615,800.

9 SOIL CONSERVATION SERVICE

10 CONSERVATION OPERATIONS

11 For necessary expenses for carrying out the provisions
12 of the Act of April 27, 1935 (16 U.S.C. 590a-590f),
13 including preparation of conservation plans and establish-
14 ment of measures to conserve soil and water (including
15 farm irrigation and land drainage and such special measures
16 as may be necessary to prevent floods and the siltation of
17 reservoirs); operation of conservation nurseries; classifica-
18 tion and mapping of soils; dissemination of information;
19 purchase and erection or alteration of permanent buildings;
20 and operation and maintenance of aircraft, \$82,322,000:
21 *Provided*, That the cost of any permanent building pur-
22 chased, erected, or as improved, exclusive of the cost
23 of constructing a water supply or sanitary system
24 and connecting the same to any such building and with the
25 exception of buildings acquired in conjunction with land

1 being purchased for other purposes, shall not exceed \$2,500,
2 except for eight buildings to be constructed or improved at
3 a cost not to exceed \$15,000 per building and except that
4 alterations or improvements to other existing permanent
5 buildings costing \$2,500 or more may be made in any
6 fiscal year in an amount not to exceed \$500 per building:
7 *Provided further*, That no part of this appropriation shall
8 be available for the construction of any such building on
9 land not owned by the Government: *Provided further*, That
10 in the State of Missouri, where the State has established a
11 central State agency authorized to enter into agreements
12 with the United States or any of its agencies on policies and
13 general programs for the saving of its soil by the extension
14 of Federal aid to any soil conservation district in such State,
15 the agreements made by or on behalf of the United States
16 with any such soil conservation district shall have the prior
17 approval of such central State agency before they shall
18 become effective as to such district: *Provided further*, That
19 no part of this appropriation may be expended for soil and
20 water conservation operations under the Act of April 27,
21 1935 (16 U.S.C. 590a-590f), in demonstration projects:
22 *Provided further*, That not to exceed \$5,000 may be used
23 for employment pursuant to the second sentence of section
24 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as
25 amended by section 15 of the Act of August 2, 1946

1 (5 U.S.C. 55a) : *Provided further*, That qualified local engi-
2 neers may be temporarily employed at per diem rates to
3 perform the technical planning work of the service.

4 WATERSHED PROTECTION

5 For expenses necessary to conduct surveys, investiga-
6 tions, and research and to carry out preventive measures, in-
7 cluding, but not limited to, engineering operations, methods
8 of cultivation, the growing of vegetation, and changes in
9 use of land, in accordance with the Watershed Protection
10 and Flood Prevention Act, approved August 4, 1954, as
11 amended (16 U.S.C. 1001-1007), and the provisions of
12 the Act of April 27, 1935 (16 U.S.C. 590a-590f), to
13 remain available until expended, \$25,500,000, with which
14 shall be merged the unexpended balances of funds heretofore
15 appropriated or transferred to the Department for watershed
16 protection purposes: *Provided*, That not to exceed \$100,-
17 000 may be used for employment pursuant to the second
18 sentence of section 706 (a) of the Organic Act of 1944 (5
19 U.S.C. 574), as amended by section 15 of the Act of August
20 2, 1946 (5 U.S.C. 55a).

21 FLOOD PREVENTION

22 For expenses necessary, in accordance with the Flood
23 Control Act, approved June 22, 1936 (33 U.S.C. 701-709),
24 as amended and supplemented, and in accordance with the

1 provisions of laws relating to the activities of the Depart-
2 ment, to perform works of improvement, including not to
3 exceed \$100,000 for employment pursuant to the second
4 sentence of section 706 (a) of the Organic Act of 1944 (5
5 U.S.C. 574), as amended by section 15 of the Act of
6 August 2, 1946 (5 U.S.C. 55a), to remain available until
7 expended, \$18,000,000, with which shall be merged the
8 unexpended balances of funds heretofore appropriated or
9 transferred to the Department for flood prevention purposes:
10 *Provided*, That no part of such funds shall be used for the
11 purchase of lands in the Yazoo and Little Tallahatchie water-
12 sheds without specific approval of the county board of super-
13 visors of the county in which such lands are situated.

14 WATER CONSERVATION AND UTILIZATION PROJECTS

15 For expenses necessary to carry out the functions of the
16 Department under the Acts of August 11, 1939, and Octo-
17 ber 14, 1940 (16 U.S.C. 590y-z-10), as amended and sup-
18 plemented, June 28, 1949 (63 Stat. 277), and September
19 6, 1950 (7 U.S.C. 1033-39), relating to water conserva-
20 tion and utilization projects, to remain available until ex-
21 pended, \$75,000, which sum shall be merged with the unex-
22 pended balances of funds heretofore appropriated to said
23 Department for the purpose of said Acts.

1 GREAT PLAINS CONSERVATION PROGRAM

2 For necessary expenses to carry into effect a program
3 of conservation in the Great Plains area, pursuant to sec-
4 tion 16 (b) of the Soil Conservation and Domestic Allotment
5 Act, as added by the Act of August 7, 1956 (16 U.S.C.
6 590p), \$7,500,000, to remain available until expended.

7 AGRICULTURAL CONSERVATION PROGRAM

8 For necessary expenses to carry into effect the program
9 authorized in sections 7 to 16, 16 (a), and 17 of the Soil
10 Conservation and Domestic Allotment Act, approved Feb-
11 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
12 590p (a), and 590q), including not to exceed \$6,000 for the
13 preparation and display of exhibits, including such displays
14 at State, interstate, and international fairs within the United
15 States, \$241,500,000, to remain available until December
16 31 of the next succeeding fiscal year for compliance with the
17 program of soil-building and soil- and water-conserving
18 practices authorized under this head in the Department of
19 Agriculture and Farm Credit Administration Appropriation
20 Act, 1959, carried out during the period July 1, 1958, to
21 December 31, 1959, inclusive: *Provided*, That not to exceed
22 \$26,832,950 of the total sum provided under this head shall
23 be available during the current fiscal year for administrative

1 expenses for carrying out such program, the cost of aerial
2 photographs, however, not to be charged to such limitation;
3 but not more than \$5,424,200 shall be transferred to the
4 appropriation account "Administrative expenses, section
5 392, Agricultural Adjustment Act of 1938": *Provided fur-*
6 *ther*, That none of the funds herein appropriated shall be used
7 to pay the salaries or expenses of any regional information
8 employees or any State information employees, but this shall
9 not preclude the answering of inquiries or supplying of in-
10 formation at the county level to individual farmers: *Provided*
11 *further*, That such amounts shall be available for administra-
12 tive expenses in connection with the formulation and admin-
13 istration of the 1960 program of soil-building and soil- and
14 water-conserving practices, under the Act of February 29,
15 1936, as amended (amounting to \$250,000,000, including
16 administration, and no participant shall receive more than
17 \$2,500, except where the participants from two or more
18 farms or ranches join to carry out approved practices de-
19 signed to conserve or improve the agricultural resources of
20 the community) : *Provided further*, That no change shall be
21 made in such 1960 program which will have the effect in
22 any county, of restricting eligibility requirements or cost-
23 sharing on practices included in either the 1957 or the 1958
24 programs, unless such change shall have been recommended
25 by the county committee and approved by the State com-

1 mittee: *Provided further*, That the proportion of the State
2 fund initially allocated to any county for the 1960 program
3 shall not be reduced from the distribution of such fund for
4 the 1958 program year: *Provided further*, That not to
5 exceed 5 per centum of the allocation for the 1960 agri-
6 cultural conservation program for any county may, on the
7 recommendation of such county committee and approval
8 of the State committee, be withheld and allotted to the Soil
9 Conservation Service for services of its technicians in formu-
10 lating and carrying out the agricultural conservation pro-
11 gram in the participating counties, and shall not be utilized
12 by the Soil Conservation Service for any purpose other than
13 technical and other assistance in such counties, and in ad-
14 dition, on the recommendation of such county committee
15 and approval of the State committee, not to exceed 1 per
16 centum may be made available to any other Federal, State,
17 or local public agency for the same purpose and under the
18 same conditions: *Provided further*, That for the 1960 pro-
19 gram \$2,500,000 shall be available for technical assistance
20 in formulating and carrying out agricultural conservation
21 practices and \$1,000,000 shall be available for conservation
22 practices related directly to flood prevention work in ap-
23 proved watersheds: *Provided further*, That such amounts
24 shall be available for the purchase of seeds, fertilizers,
25 lime, trees, or any other farming material, or any soil-

1 terracing services, and making grants thereof to agricul-
2 tural producers to aid them in carrying out farming practices
3 approved by the Secretary under programs provided for
4 herein: *Provided further*, That no part of any funds avail-
5 able to the Department, or any bureau, office, corporation,
6 or other agency constituting a part of such Department, shall
7 be used in the current fiscal year for the payment of salary
8 or travel expenses of any person who has been convicted of
9 violating the Act entitled "An Act to prevent pernicious
10 political activities", approved August 2, 1939, as amended,
11 or who has been found in accordance with the provisions of
12 title 18, United States Code, section 1913, to have violated
13 or attempted to violate such section which prohibits the
14 use of Federal appropriations for the payment of personal
15 services or other expenses designed to influence in any man-
16 ner a Member of Congress to favor or oppose any legisla-
17 tion or appropriation by Congress except upon request of any
18 Member or through the proper official channels.

19 AGRICULTURAL MARKETING SERVICE

20 MARKETING RESEARCH AND SERVICE

21 For expenses necessary to carry on research and service
22 to improve and develop marketing and distribution relating
23 to agriculture as authorized by the Agricultural Marketing
24 Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-
25 ing the administration of marketing regulatory acts con-

1 nected therewith: *Provided*, That appropriations hereunder
2 shall be available pursuant to 5 U.S.C. 565a for the con-
3 struction, alteration, and repair of buildings and improve-
4 ments, but unless otherwise provided, the cost of erecting
5 any one building shall not exceed \$10,000, except for two
6 buildings to be constructed or improved at a cost not to exceed
7 \$20,000 each, and the cost of altering any one building dur-
8 ing the fiscal year shall not exceed \$3,750 or 3 per centum
9 of the cost of the building, whichever is greater:

10 Marketing research and agricultural estimates: For re-
11 search and development relating to agricultural marketing
12 and distribution, for analyses relating to farm prices, income
13 and population, and demand for farm products, and for crop
14 and livestock estimates, \$15,044,500: *Provided*, That not
15 less than \$350,000 of the funds contained in this appropria-
16 tion shall be available to continue to gather statistics and
17 conduct a special study on the price spread between the
18 farmer and the consumer: *Provided further*, That no part
19 of the funds herein appropriated shall be available for any
20 expense incident to publishing estimates of apple production
21 for other than the commercial crop;

22 Marketing services: For services relating to agricultural
23 marketing and distribution, for carrying out regulatory acts
24 connected therewith, and for administration and coordina-
25 tion of payments to States, \$24,862,600, including not to

1 exceed \$25,000 for employment at rates not to exceed \$50
 2 per diem, except for employment in rate cases at not to
 3 exceed \$100 per diem pursuant to the second sentence of
 4 section 706(a) of the Organic Act of 1944 (5 U.S.C.
 5 574), as amended by section 15 of the Act of August 2,
 6 1946 (5 U.S.C. 55a), in carrying out section 201(a) to
 7 201(d), inclusive, of title II of the Agricultural Adjustment
 8 Act of 1938 (7 U.S.C. 1291) and section 203(j) of the
 9 Agricultural Marketing Act of 1946.

10 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

11 For payments to departments of agriculture, bureaus and
 12 departments of markets, and similar agencies for marketing
 13 activities under section 204(b) of the Agricultural Market-
 14 ing Act of 1946 (7 U.S.C. 1623(b)), \$1,160,000.

15 SCHOOL LUNCH PROGRAM

16 For necessary expenses to carry out the provisions of
 17 the National School Lunch Act (42 U.S.C. 1751-1760),
 18 \$110,000,000: *Provided*, That no part of this appropria-
 19 tion shall be used for nonfood assistance under section 5 of
 20 said Act: *Provided further*, That, for additional payments
 21 to States in accordance with the National School Lunch Act
 22 for the purchase of food, \$43,657,248 shall be transferred
 23 to this appropriation from the funds available in the fiscal
 24 year 1959 under section 32 of the Act of August 24, 1935.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$3,518,300: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$2,493,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32: *Provided further*, That, in addition, not to exceed the equivalent of \$1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall

1 be available for expenses of the agricultural attaché service
2 and for general operating expenses of the Foreign Agricul-
3 tural Service in carrying out the purposes of section 104 (a)
4 of that Act.

5 COMMODITY EXCHANGE AUTHORITY

6 SALARIES AND EXPENSES

7 For necessary expenses to carry into effect the provisions
8 of the Commodity Exchange Act, as amended (7 U.S.C.
9 1-17a), \$909,500.

10 SOIL BANK PROGRAM

11 CONSERVATION RESERVE

12 For necessary expenses to carry out a conservation re-
13 serve program as authorized by subtitles B and C of the
14 Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814),
15 and to carry out liquidation activities for the acreage reserve
16 program, \$310,000,000: *Provided*, That not to exceed
17 \$18,000,000 shall be available for administrative expenses, of
18 which not less than \$14,400,000 may be transferred to the
19 appropriation account "Local administration, section 388,
20 Agricultural Adjustment Act of 1938": *Provided further*,
21 That no part of this appropriation shall be used to enter into
22 contracts with producers which, together with contracts
23 already entered into, would require payments to producers
24 (including the cost of materials and services) in excess of
25 \$325,000,000 in any calendar year, and for purposes of

1 applying this limitation, practice payments shall be charge-
2 able to the first year of the contract period: *Provided*
3 *further*, That no part of these funds shall be used to enter
4 into contracts to pay compensation to any individual or
5 corporation in excess of \$3,000 per annum: *Provided fur-*
6 *ther*, That no part of these funds shall be paid on any con-
7 tract which is illegal under the law due to the division of
8 lands for the purpose of evading limits on annual payments
9 to participants: *Provided further*, That clause (2) of the
10 fourth proviso relating to annual rental payments under this
11 head in Public Law 85-459 shall not be applicable to con-
12 tracts hereafter entered into: *Provided further*, That no
13 part of these funds may be used to enter into contracts
14 for a period in excess of five years or to pay annual rentals
15 in excess of a fair rental value of land placed under con-
16 tract, such fair rental value to be based on the actual pro-
17 duction diverted each year.

18 COMMODITY STABILIZATION SERVICE

19 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

20 For necessary expenses to formulate and carry out
21 acreage allotment and marketing quota programs pursuant
22 to provisions of title III of the Agricultural Adjustment Act
23 of 1938, as amended (7 U.S.C. 1301-1393), \$39,135,000,
24 of which not more than \$6,886,300 shall be transferred to
25 the appropriation account "Administrative expenses, section-
26 392, Agricultural Adjustment Act of 1938".

1 SUGAR ACT PROGRAM

2 For necessary expenses to carry into effect the provisions
3 of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$71,500,-
4 000, to remain available until June 30 of the next succeeding
5 fiscal year: *Provided*, That expenditures (including trans-
6 fers) from this appropriation for other than payments to
7 sugar producers shall not exceed \$2,297,426.

8 FEDERAL CROP INSURANCE CORPORATION

9 OPERATING AND ADMINISTRATIVE EXPENSES

10 For operating and administrative expenses, \$6,376,700.

11 RURAL ELECTRIFICATION ADMINISTRATION

12 To carry into effect the provisions of the Rural Elec-
13 trification Act of 1936, as amended (7 U.S.C. 901-924),
14 as follows:

15 LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, as follows: Rural electrification program, \$136,000,000; and rural telephone program, \$79,000,000; and additional amounts, not to exceed \$25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development

1 of the rural electrification program and rural telephone
2 program.

3 SALARIES AND EXPENSES

4 For administrative expenses, including not to exceed
5 \$500 for financial and credit reports, and not to exceed
6 \$150,000 for employment pursuant to the second sentence
7 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
8 574), as amended by section 15 of the Act of August 2,
9 1946 (5 U.S.C. 55a), \$9,632,000.

10 FARMERS' HOME ADMINISTRATION

11 To carry into effect the provisions of titles I, II, and
12 the related provisions of title IV of the Bankhead-Jones
13 Farm Tenant Act, as amended (7 U.S.C. 1000-1031);
14 the Farmers' Home Administration Act of 1946 (7 U.S.C.
15 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code
16 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40
17 U.S.C. 436-439); the Act of August 28, 1937, as amended
18 (16 U.S.C. 590r-590x-3), for the development of facili-
19 ties for water storage and utilization in the arid and semiarid
20 areas of the United States; the provisions of title V of the
21 Housing Act of 1949, as amended (42 U.S.C. 1471-1483),
22 relating to financial assistance for farm housing; the Rural
23 Rehabilitation Corporation Trust Liquidation Act, approved
24 May 3, 1950 (40 U.S.C. 440-444); the items "Loans to
25 farmers, 1948 flood damage" in the Act of June 25, 1948

1 (62 Stat. 1038), and "Loans to farmers, property damage"
2 in the Act of May 24, 1949 (63 Stat. 82); the collecting
3 and servicing of credit sales and development accounts in
4 water conservation and utilization projects (53 Stat. 685,
5 719), as amended and supplemented (16 U.S.C. 590y, z—1
6 and z—10); and the Act to direct the Secretary of Agri-
7 culture to convey certain mineral interests, approved Sep-
8 tember 6, 1950 (7 U.S.C. 1033–1039), as follows:

9 LOAN AUTHORIZATIONS

10 For loans (including payments in lieu of taxes and taxes
11 under section 50 of the Bankhead-Jones Farm Tenant Act,
12 as amended, and advances incident to the acquisition and
13 preservation of security of obligations under the foregoing
14 several authorities, except that such advances under title V
15 of the Housing Act of 1949, as amended, shall be made
16 from funds obtained under section 511 of that Act, as
17 amended): Title I and section 43 of title IV of the Bank-
18 head-Jones Farm Tenant Act, as amended, \$24,000,000,
19 of which not to exceed \$2,500,000 may be distributed to
20 States and Territories without regard to farm population and
21 prevalence of tenancy, in addition to the amount otherwise
22 distributed thereto, for loans in reclamation projects and to
23 entrymen on unpatented public lands; title II of the Bank-
24 head-Jones Farm Tenant Act, as amended, \$180,000,000;
25 the Act of August 28, 1937, as amended, \$2,000,000: *Pro-*

1 *vided*, That not to exceed the foregoing several amounts
2 shall be borrowed in one account from the Secretary of the
3 Treasury in accordance with the provisions set forth under
4 this head in the Department of Agriculture Appropriation
5 Act, 1952: *Provided further*, That an additional amount, not
6 to exceed \$20,000,000, may be borrowed under the same
7 terms and conditions to the extent that such amount is
8 required during fiscal year 1960 under the then existing
9 conditions for the expeditious and orderly conduct of the
10 loan programs under the Bankhead-Jones Farm Tenant Act,
11 as amended, not to exceed \$5,000,000 of which shall be
12 available for loans under title I and section 43 of title IV
13 of such Act, as amended.

14 SALARIES AND EXPENSES

15 For making, servicing, and collecting loans and insured
16 mortgages, the servicing and collecting of loans made under
17 prior authority, the liquidation of assets transferred to Farm-
18 ers' Home Administration, and other administrative ex-
19 penses, \$30,300,000, together with a transfer of not to
20 exceed \$1,000,000 of the fees and administrative expense
21 charges made available by subsections (d) and (e) of
22 section 12 of the Bankhead-Jones Farm Tenant Act, as
23 amended (7 U.S.C. 1005 (b)), and section 10 (c) of the
24 Act of August 28, 1937, as amended.

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, \$3,115,300.

6 OFFICE OF THE SECRETARY

7 SALARIES AND EXPENSES

8 For expenses of the Office of the Secretary of Agricul-
9 ture; expenses of the National Agricultural Advisory Com-
10 mission; stationery, supplies, materials, and equipment;
11 freight, express, and drayage charges; advertising of bids,
12 communication service, postage, washing towels, repairs and
13 alterations, and other miscellaneous supplies and expenses
14 not otherwise provided for and necessary for the practical
15 and efficient work of the Department of Agriculture,
16 \$2,881,000: *Provided*, That this appropriation shall be re-
17 imbursed from applicable appropriations for travel expenses
18 incident to the holding of hearings as required by the Ad-
19 ministrative Procedure Act (5 U.S.C. 1001).

20 OFFICE OF INFORMATION

21 SALARIES AND EXPENSES

22 For necessary expenses of the Office of Information for
23 the dissemination of agricultural information and the co-
24 ordination of informational work and programs authorized by
25 Congress in the Department, \$1,431,665, of which total

1 appropriation not to exceed \$537,000 may be used for
2 farmers' bulletins, which shall be adapted to the interests
3 of the people of the different sections of the country, an
4 equal proportion of four-fifths of which shall be delivered
5 to or sent out under the addressed franks furnished by the
6 Senators, Representatives, and Delegates in Congress, as
7 they shall direct (7 U.S.C. 417) and not less than two
8 hundred and thirty-three thousand and fifty copies for the
9 use of the Senate and House of Representatives of part 2
10 of the annual report of the Secretary (known as the Year-
11 book of Agriculture) as authorized by section 73 of the
12 Act of January 12, 1895 (44 U.S.C. 241) : *Provided*, That
13 in the preparation of motion pictures or exhibits by the
14 Department, not exceeding a total of \$10,000 may be used
15 for employment pursuant to the second sentence of section
16 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
17 amended by section 15 of the Act of August 2, 1946 (5
18 U.S.C. 55a).

19 LIBRARY

20 SALARIES AND EXPENSES

21 For necessary expenses, including dues for library mem-
22 bership in societies or associations which issue publications
23 to members only or at a price to members lower than to
24 subscribers who are not members, \$900,000.

TITLE II—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1960 for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,330,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

RESTORATION OF CAPITAL IMPAIRMENT

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1958, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), \$1,435,424,413.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$39,600,000 shall be available for adminis-

1 trative expenses of the Corporation: *Provided further*, That
 2 \$1,000,000 of this authorization shall be available only
 3 to expand and strengthen the sales program of the
 4 Corporation pursuant to authority contained in the
 5 Corporation's charter: *Provided further*, That not less than
 6 7 per centum of this authorization shall be placed in reserve
 7 to be apportioned pursuant to section 3679 of the Revised
 8 Statutes, as amended, for use only in such amounts and at
 9 such time as may become necessary to carry out program
 10 operations: *Provided further*, That all necessary expenses
 11 (including legal and special services performed on a contract
 12 or fee basis, but not including other personal services) in
 13 connection with the acquisition, operation, maintenance,
 14 improvement, or disposition of any real or personal property
 15 belonging to the Corporation or in which it has an interest,
 16 including expenses of collections of pledged collateral, shall
 17 be considered as nonadministrative expenses for the purposes
 18 hereof: *Provided further*, That no funds appropriated in this
 19 section shall be used to process a Commodity Credit loan
 20 which is in excess of \$50,000.

21 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
 22 FOR COSTS OF SPECIAL ACTIVITIES

23 To reimburse the Commodity Credit Corporation for
 24 authorized unrecovered costs through June 30, 1959 (in-
 25 cluding interest through date of recovery), as follows: (1)

1 \$63,875,000 under the International Wheat Agreement Act
2 of 1949, as amended (7 U.S.C. 1641-1642) ; (2) \$104,-
3 508,000 for commodities disposed of for emergency famine
4 relief to friendly peoples pursuant to title II of the Act of
5 July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724) ;
6 (3) \$968,016,000 for the sale of surplus agricultural com-
7 modities for foreign currencies pursuant to title I of the Act
8 of July 10, 1954, as amended (7 U.S.C. 1701-1709) ; (4)
9 \$35,000 for grain made available to the Secretary of the
10 Interior to prevent crop damage by migratory waterfowl
11 pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446) ;
12 (5) \$129,000,000 for strategic and other materials acquired
13 by the Commodity Credit Corporation as a result of barter
14 or exchange of agricultural commodities or products and
15 transferred to the supplemental stockpile pursuant to Public
16 Law 540, Eighty-fourth Congress (7 U.S.C. 1856) ; (6)
17 \$1,056,500 for transfers to the appropriation "Diseases of
18 animals and poultry" pursuant to authority contained under
19 such head in the Department of Agriculture and Farm Credit
20 Administration Appropriation Act, 1959; and (7) \$1,607,-
21 000 for transfers to the appropriation "Marketing research
22 and service" pursuant to the Act of August 31, 1951 (7
23 U.S.C. 414a), for grading tobacco and classing cotton with-
24 out charge to producers, as authorized by law (7 U.S.C.
25 473a, 511d).

TITLE III—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

Not to exceed \$2,125,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

FEDERAL FARM MORTGAGE CORPORATION

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be declared as dividends which shall be paid into the general fund of the Treasury.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and twenty-five passenger motor vehicles, of which four hundred and twenty-three shall be for replacement only, and for the hire of such vehicles.

SEC. 402. Provisions of law prohibiting or restricting

1 the employment of aliens shall not apply to employment
2 under the appropriation for the Foreign Agricultural Service.

3 SEC. 403. Funds available to the Department of Agri-
4 culture shall be available for uniforms or allowances therefor
5 as authorized by the Act of September 1, 1954, as amended
6 (5 U.S.C. 2131).

7 SEC. 404. No part of the funds appropriated by this
8 Act shall be used for the payment of any officer or employee
9 of the Department who, as such officer or employee, or on
10 behalf of the Department or any division, commission, or
11 bureau thereof, issues, or causes to be issued, any prediction,
12 oral or written, or forecast, except as to damage threatened
13 or caused by insects and pests, with respect to future prices
14 of cotton or the trend of same.

15 SEC. 405. Except to provide materials required in or
16 incident to research or experimental work where no suitable
17 domestic product is available, no part of the funds appro-
18 priated by this Act shall be expended in the purchase of
19 twine manufactured from commodities or materials produced
20 outside of the United States.

21 SEC. 406. Not less than \$1,500,000 of the appropria-
22 tions of the Department for research and service work au-
23 thorized by the Acts of August 14, 1946, July 28, 1954, and
24 September 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat.

1 1793), shall be available for contracting or grants in accord-
2 ance with said Acts.

3 SEC. 407. No part of any appropriation contained in this
4 Act or of the funds available for expenditure by any cor-
5 poration or agency included in this Act shall be used for
6 publicity or propaganda purposes to support or defeat legis-
7 lation pending before the Congress.

8 This Act may be cited as the "Department of Agricul-
9 ture and Farm Credit Administration Appropriation Act,
10 1960".

Passed the House of Representatives May 20, 1959.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

MAY 21, 1959

Read twice and referred to the Committee on Appropriations

Calendar No. 317

86TH CONGRESS }
1st Session }

SENATE }

REPORT
No. 330

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

MAY 28, 1959.—Ordered to be printed

Mr. RUSSELL, from the Committee on Appropriations, submitted the following

R E P O R T

[To accompany H.R. 7175]

The Committee on Appropriations, to whom was referred the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House (direct appropriations).....	\$3, 939, 165, 498
Amount of increase by Senate committee (net).....	36, 339, 650
Amount of bill as reported to Senate.....	3, 975, 505, 148
Amount of appropriations, 1959.....	4, 813, 330, 350
Amount of estimates for 1960.....	4, 081, 364, 863
The bill as reported to the Senate:	
Under the appropriations for 1959.....	—837, 825, 202
Under the estimates for 1960.....	—105, 859, 715

GENERAL STATEMENT

The Senate committee bill is in the amount of \$3,975,505,148, a net increase of \$36,339,650 over the House bill. The bill includes \$1,271,983,235 for regular activities and \$2,703,521,913 for restoration of capital impairment of and reimbursements to the Commodity Credit Corporation. The bill is \$837,825,202 under the appropriations for the fiscal year 1959. This is largely due to the discontinuance of the acreage reserve program and due to smaller amounts being necessary for restorations to the Commodity Credit Corporation.

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

RESEARCH

The committee recommends an appropriation of \$70,479,390 for research, an increase of \$6,517,800 over the House allowance and \$6,239,390 over the estimate.

ADDITIONAL RESEARCH NEEDS

Last year the committee requested the Department to study and report on research needs and to make recommendations thereon for soil and water, cotton boll weevil, and for the corn borer and other corn insects.

Early this year, but after submission of the budget estimates for 1960, these reports were submitted to the House and Senate Committees on Appropriations. This committee conducted thorough hearings on the subject matter of these reports and believes that action should be taken now to strengthen research in each of the major research fields covered by the respective reports from the Department.

SOIL AND WATER RESEARCH

The report on soil and water research needs, if fully implemented, would require increasing soil and water research from \$7 million to over \$26 million annually and for capital construction of research facilities totaling more than \$20 million. The committee reviewed the recommendations and examined them thoroughly with officials of the Department during hearings on the bill, and has recommended strengthening of soil and water research by the amount of \$2,016,800. These increases are in accordance with priority listings and amounts recommended by the Department to strengthen existing research stations and facilities to bring them to their most effective operating level before starting the construction of additional new facilities.

In the detailed report, considerable emphasis was given to the need for the instrumentation of four to six watersheds in various geographic regions of the country to provide needed data on precipitation-runoff relationship of great value to the small watershed, and general

conservation program, as well as for other agricultural purposes. In the priority listing furnished to the committee, the Northwest hydrology research watershed received a high priority and is included with headquarters at Boise, Idaho, and \$95,600 of the amount recommended is for the Danville, Vt., watershed where this work is underway. Of the amount recommended for the Morris, Minn., Laboratory, a minimum of \$50,000 will be used in eastern South Dakota. Within the funds allowed for soil and water research \$20,000 is to be used in the Humboldt River watershed of Nevada, with the understanding that each year of the proposed 4-year program, the State will continue to put up \$35,000.

RESEARCH ON COTTON BOLL WEEVIL

The cotton boll weevil has caused heavy crop loss for many years throughout large areas of the Cotton Belt. A concerted research program has long been needed if effective eradication methods are to be developed. Based upon the recommendations in the report submitted to the committee, an appropriation of \$1,893,000 is recommended, of which \$1,593,000 is a nonrecurring item to construct research laboratory facilities at State College, Miss., and \$300,000 is to step up the research effort next year at present locations.

BORER AND OTHER CORN INSECTS

Corn is one of our most important crops and has an annual value of almost \$5 billion. It is attacked by at least 25 major species of insects with an estimated annual loss of \$900 million. At present the total research effort on corn insects is less than \$800,000 a year. The Department report emphasized the need for adequate facilities to undertake an accelerated research program on the corn insects. The committee recommends an appropriation of \$1,483,000 for the construction of two laboratories, one of which is to be located at the Coastal Plains Experiment Station for research on the corn insect problems of the Southeast, and the other to be located in the Midwest.

OTHER RESEARCH RECOMMENDATIONS

The committee has carefully considered a number of other research proposals and recommends that the following be included in the bill:

- (1) \$500,000 for accelerating work on livestock entomology.
- (2) \$200,000 for research on the production, breeding and diseases of several vegetable crops.
- (3) \$100,000, each, for instituting research on development of Coastal Bermuda pellets, and for stepping up utilization research on sweetpotatoes.
- (4) \$25,000 for apple breeding in the Southeast, and
- (5) Restoration of \$200,000 of the \$250,000 requested in the budget, to initiate humane slaughter research. This amount does not include any funds or authorization for remodeling laboratory buildings at Beltsville, Md. The committee believes that the new Animal Research Laboratory at Ames, Iowa, when completed at a cost of \$16,250,000, should be used for this purpose. In carrying out the research studies authorized herein, the Department is urged not to overlook the needs of small packers.

NATIONAL PLANT PHYSIOLOGY LABORATORY

The committee has heard testimony as to the need for a National Plant Physiology Laboratory to study the environmental factors affecting various crops. The Department is requested to report to the committee on the need for this facility, and the present work being done, together with the kind and scope of a strengthened research program required to deal with this general problem.

UTILIZATION RESEARCH

The committee reemphasizes its support of adequate funds for a realistic program of utilization research at the four regional research laboratories but is compelled to express disappointment at the results achieved at those installations thus far. In approving the 1960 fiscal year budget estimate for such work, plus a modest increase, the committee nevertheless urges that the problems of utilization research be approached with more vigor and imagination than has apparently characterized such effort in the past.

Much more was expected and predicted from these installations at the time of their establishment than has materialized thus far, and while the committee does not in any way mean to belittle the achievements of the regional laboratories, it nevertheless believes that more effective progress, particularly progress directed toward increasing the utilization of agricultural productivity, can and should be made.

Further, the committee specifically requests that it be kept advised by an annual summary report on research developments, including the work in progress at these laboratories, proposed new work, and on projects to be discontinued due to completion of work or lack of results with the reasons for discontinuance. It is the hope of the committee that it will be kept better advised not only as to specific accomplishments in the field of utilization research but also as to fiscal requirements at these installations.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

The committee recommends an appropriation of \$51,050,600 to carry out the regulatory programs under this head. This is \$2,710,000 over the House allowance and \$1,940,600 over the estimates. The principal increase by the committee was \$2,500,000 for brucellosis eradication, providing a total of \$17,500,000 instead of \$15 million as proposed in the budget. The committee notes that 15 States have received modified brucellosis-free certifications, which is evidence of the success of the program. However, in reviewing the State-by-State contributions to the program it notes wide variations and inconsistencies in State support.

The Department is requested to review this matter in an effort to step up State contributions to the program, to get them more nearly on a matching basis in the States now making such small contributions.

The committee also made partial restorations in the estimate of \$100,000 in general control work, and \$75,000 for cooperation with the States on suppressing the soybean cyst nematode. Also \$35,000 is recommended to accelerate the eradication of sheep scabies.

MEAT INSPECTION

The committee recommends an appropriation of \$21,324,900, an increase of \$189,900 over the House allowance and \$150,000 under the

estimate. The amount recommended is an increase of \$539,800 over 1959.

STATE EXPERIMENT STATIONS

An appropriation of \$31,553,708 is recommended for payments to State experiment stations, the House allowance, the budget estimate, and the amount approved for fiscal 1959.

For penalty mail costs of this program \$250,000 is recommended, the amount of the estimate, and the House allowance.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

The committee recommends an appropriation of \$53,715,000 for cooperative extension payments to States, the amount allowed by the House and in the estimate, and the amount approved for 1959.

RETIREMENT COSTS FOR EXTENSION AGENTS

The committee recommends \$5,674,375 for mandatory retirement costs, the amount approved by the House and requested in the Budget, and an increase of \$195,000 over fiscal 1959.

PENALTY MAIL

For penalty mail costs \$2,491,307 is recommended, the amount of the estimate and the House allowance.

FEDERAL EXTENSION SERVICE

The committee recommends an appropriation of \$2,242,540, the House allowance, and \$16,255 under the budget estimate.

FARMER COOPERATIVE SERVICE

The committee recommends \$615,800, the House allowance and \$4,200 under the estimate for the operations of the Farmer Cooperative Service.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

The committee recommends an appropriation of \$82,322,000, the amount of the House allowance, and \$1,250,000 over the budget request.

The attention of the committee has been directed to reports that in some States the soil conservation district organizations have entered into arrangements with earth-moving contractors who perform services paid in whole or in part from Federal funds, under which practices such contractors make contributions to the district organization. While these arrangements may not be illegal under the State laws, it is a bad practice. The Secretary of Agriculture and the General Accounting Office are directed to police this matter and where they find such practices to exist, to report them to the committee, together with corrective action taken to see that the practices are discontinued.

WATERSHED PROTECTION

The committee recommends an appropriation of \$20,000,000, the budget estimate and \$5,500,000 under the House allowance.

The latest estimates received from the Department indicate that due to delays on the part of local participation on the installation of works of improvement on approved small watersheds, the carryover of Federal funds will amount to \$14 million which together with the recommended appropriation of \$20 million will provide \$34 million for the program in 1960. The funds provided enable project planning to continue at the 1959 level.

FLOOD PREVENTION

An appropriation of \$15,000,000 is recommended for work on the 11 major watersheds, the amount of the budget estimate and \$3,000,000 under the House recommendation.

WATER CONSERVATION AND UTILIZATION PROJECTS

The committee recommends \$75,000 for this work, the House allowance, the budget estimate, and \$260,000 under 1959.

GREAT PLAINS CONSERVATION PROGRAM

The committee recommends an appropriation of \$10,000,000, which is \$2,500,000 under the budget estimate, \$2,500,000 over the House allowance, and the amount appropriated for 1959.

AGRICULTURAL CONSERVATION PROGRAM

The committee recommends an appropriation of \$241,500,000, the budget estimate and House allowance, which, together with the unused balances, will meet the commitments for the 1959 program.

For the 1960 program, the committee recommends an authorization of \$250,000,000, the House allowance, and \$150,000,000 over the estimate. This same amount has been authorized for several years.

Last year the committee inserted a provision in the bill which precluded the restriction of eligibility requirements and cost-sharing on practices in the 1959 program unless such changes were recommended by the individual county committee and approved by the respective State committee. The House bill carries this provision forward for the 1960 program, and the committee concurs in this action. The committee, however, further recommends a modification in the language of the proviso by striking out the phrase "either the 1957 or 1958 programs" and inserting in lieu thereof "*the 1959 program*". The new language will bring the proviso up to date and is not intended to affect the cost-sharing and eligibility requirements in any other manner.

The committee has also stricken a proviso inserted by the House which would deprive State committees of their authority to change ACP fund allocations to the respective counties year by year or to make adjustments in the county allocations during the program year, as follows:

~~it is provided further, that the proportion of the State fund initially allocated to any county for the 1960 program shall~~

not be reduced from the distribution of such fund for the 1958 program year

FIVE PERCENT TRANSFER PROVISIO

The committee agrees with the views expressed in the House report regarding the time-consuming and costly recordkeeping processes imposed on county offices and local SCS district technicians in arranging for the transfer of and then reporting on use of ACP funds transferred to SCS for the servicing of technical practices under this program.

After a number of years of experience the departmental officials concerned undoubtedly know the average cost of technical service charges for the various practices carried out under the transferred funds.

The new procedures put into effect in the 1959 program for arranging transfers and the detailed accounting and billing requirements thereunder should be immediately reexamined and greatly simplified, and unless this is done the committee will consider recommending the deletion of any authority for the transfer of funds when it considers the appropriation bill for 1961. The Department is requested to report to the committee within 60 days on steps taken to carry out the recommended simplification of transfer of funds and the accounting procedures.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND AGRICULTURAL ESTIMATES

The committee recommends an appropriation of \$15,514,100, an increase of \$469,600 over the House allowance and \$77,100 over the estimate.

The committee has restored the proposed House reduction of \$294,600 for consumer preference studies. The results of these studies serve as a valuable aid to the packaging, distribution, and marketing of farm products. The committee believes they should be continued. The committee has added \$50,000, in addition to the House increase, for cotton quality spinning research, at Clemson, S.C., to be performed in the existing pilot plant.

The committee recommends \$125,000 for extension of cattle-on-feed estimates and reports as follows: (1) Monthly reports for Arizona and California; (2) extension of quarterly reports to New Mexico, Nevada, Oregon, Washington, and Wyoming; and (3) extension of annual reports to Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

The committee has been presented with testimony regarding the need for crop estimating and reporting work on caneberries, bushberries, and other small fruit crops. The Department is requested to examine this carefully with a view to making a start on this work within the total amount provided.

MARKETING SERVICES

The committee recommends an appropriation of \$26,306,600 for marketing services, an increase of \$1,444,000 over the House allowance, to provide the budget estimate of \$10,497,000 for poultry inspection.

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

The committee recommends \$1,195,000, an increase of \$35,000 over the House and the budget estimate to expand work on promotion of potatoes.

SCHOOL LUNCH PROGRAM

An appropriation of \$110 million is recommended, the House allowance, \$10 million over the estimate, and the amount appropriated for fiscal 1959. Last year the appropriation act carried a provision making \$35 million available by transfer from section 32 funds to section 6 to be used for the purchase of foods.

The committee believes that the Department is better equipped to handle the purchase of foods, and to balance this procurement with the donations of Government-owned foods, which it makes to the school lunch program than would prevail if the House proposal for utilizing \$43,657,248 of section 32 funds were to be undertaken. The committee accordingly recommends the deletion of the House provision, and inserts in lieu thereof the following provision:

: *Provided further*, That \$43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32

The committee amendment inserts the language carried in the 1959 appropriation act, and the amount of the House proviso which provides a total of \$153,657,248 of Federal financing for the school lunch program as proposed in the House bill.

FOREIGN AGRICULTURAL SERVICE

The committee concurs in the House allowances for the operation of this service which makes a total of \$7,321,300 available, and is \$100,000 under the estimate. Foreign currencies are available in large quantities and are readily transferable between countries.

COMMODITY EXCHANGE AUTHORITY

The committee recommends an appropriation of \$900,000 the amount of the budget estimate and a decrease of \$9,500 under the House bill. The sum recommended is \$4,500 over the 1959 appropriation.

SOIL BANK PROGRAM

CONSERVATION RESERVE

The committee recommends an appropriation of \$340 million to pay the contractual obligations, cost sharing, and administrative expenses of this program, and to cover the liquidating costs of the acreage reserve program.

The appropriation recommended is \$30 million over the House and \$20,370,000 under the estimate. Based upon the latest estimates

available to the committee together with funds from 1959 which can be carried forward, this will be adequate. The committee has also increased the expense limitation from \$18 million to \$18,900,000 to partially restore the estimate of \$19,318,000.

For the 1960 program authorization, the committee recommends \$450 million, an increase of \$125 million over the House and \$75 million over the estimate. The full authorization under law is recommended since the 1960 program will be the last, and many qualified applicants were unable to put their land under contract last year due to inadequacy of the 1959 authorization.

NEED FOR STRENGTHENED ADMINISTRATION

The committee does not approve of the tentative plans of the Department to redistribute State or area allocations under the conservation program to deal with unusual conditions existing in any one crop. If there is to be any change of policy on the allocation of funds the Department should give first consideration in the 1960 program to those applicants the 1959 program signups not included in the 1959 program because they were in excess of the available fund allocations.

It shall give due regard in the distribution of the funds under this authorization to those areas where cultivated and actually farmed land is being offered for contract and on which the conservation practices to be installed will bring about permanent conservation benefits and land use adjustment.

Careful attention shall be given to preclude large allotments of funds for contracts in geographic areas where it may be used for disaster relief involving excessive rental payments for long contract periods on marginal cropland, as has been widely reported.

Officials of the Department stated that there had been numerous instances where practices had to be reestablished, and this cost sharing may run as high as \$10 million. The committee has carefully considered this matter and is opposed to any of the funds appropriated herein being used for this purpose, except in case of natural disaster Federal cost-sharing on repeat practices is approved, if it is reduced by 50 percent.

The committee expects the above and other precautionary measures be taken by the Department in administering the 1960 program authorization, and the contracts already in effect. It believes that if adequate regulations and operating instructions are issued, and carried out by State and county committees the objectives of the limitations inserted by the House are not needed.

The committee has modified the House provision inserted to limit total payments to any individual who enters into a contract by making the limitation apply only to the rental payment in lieu of rental and practice payment as proposed by the House. The committee also raised the amount from \$3,000 to \$5,000. The committee recommends the deletion of the following provisions inserted by the House:

: *Provided further*, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85-459 shall not be applicable to contracts hereafter

entered into: *Provided further*, That no part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year

COMMODITY STABILIZATION SERVICE

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

The committee recommends an appropriation of \$39,135,000, the amount of the House allowance, the budget request, and \$2,580,000 below the funds available for fiscal 1959.

Under this head \$2,735,000 is provided to provide a 10 percent average increase of salaries for employees of county agricultural stabilization and conservation committees, effective July 1, 1959. Most of the estimated pay cost, amounting to \$8,179,000 in all, is derived from increases authorized in administrative expense limitations of various programs administered by the Commodity Stabilization Service.

The additional funds for pay increases provided in this bill are to be used only to reestablish the salary relationship which existed between the salaries paid county committee employees and other local and Federal employees prior to enactment of the Federal Employees Salary Increase Pay Act of 1958, and in accordance with the pay scales developed by the Department in recent years.

This committee agrees with the House that the number of employees in county committee offices should be kept to the minimum.

SUGAR ACT PROGRAM

The committee recommends an appropriation of \$71,500,000, the House allowance and the budget estimate, a decrease of \$4,500,000 under the amount appropriated for 1959, to make payments to domestic producers of sugarcane and sugar beets.

FEDERAL CROP INSURANCE CORPORATION

The committee recommends an appropriation of \$6,376,700 for operating and administrative expenses, the amount of the estimate and the House allowance, and the amount available in 1959.

The Corporation also has authority to spend up to \$2,330,000 from premium income for operating costs.

RURAL ELECTRIFICATION ADMINISTRATION

LOAN AUTHORIZATIONS

The committee recommends an authorization of \$136 million for the electric loan program and \$79 million for the telephone program, the respective authorizations are the same as the House allowance and the budget request. In addition a contingency authorization of \$25 million is authorized for each program.

The recommended authorization for electric loans is \$181 million under 1959 but due to carryover authorizations and rescissions, it will

provide for an estimated \$245 million loan program for 1960. The recommended authorization of \$79 million for the telephone program represents an increase of \$11,500,000 over 1959. This sum together with the carryover authorization and contingency authorization will provide ample authorization for the estimated program of \$105 million.

SALARIES AND EXPENSES

An appropriation of \$9,632,900 is recommended for administrative expenses, the amount of the House allowance, the budget estimate, and an increase of \$30,700 over funds available in fiscal 1959.

FARMERS HOME ADMINISTRATION

LOAN AUTHORIZATIONS

The committee recommends loan authorizations totaling \$206,000,000, together with a contingency authorization of \$20,000,000 for farm operating and farm ownership loans. The recommended authorizations are the same amount as the House allowance and are \$33,000,000 over the budget estimate.

The authorizations recommended are the same as for 1959 except for the soil and water conservation loans, which have been decreased from \$5,500,000 in 1959 to \$2 million. The recommended authorization is \$3,500,000 under 1959 but is \$1 million over the estimate. Departmental officials based their request for reduced soil and water loan authorization upon the anticipated availability of ample insured loan funds to meet requirements.

SALARIES AND EXPENSES

The committee recommends an appropriation of \$31,189,500, the amount available in 1959, an increase of \$889,500 over the House allowance, and \$110,500 under the estimate.

The reduction proposed by the House appears to be based upon the decreased need for disaster loans. The administrative cost of making disaster loans is financed from the disaster loan revolving fund and not from this appropriation. The agency has previously reduced the size of its Washington office and field office staffs as well as the number of field offices, and the reduction proposed would result in closing additional county offices.

In addition to conducting the recommended loan program authorized for 1960 at the same level as for 1959, the agency has the responsibility for servicing outstanding loans of over \$1 billion. The committee believes it essential that adequate administrative funds be provided for making new loans, and in servicing outstanding loans to protect the outstanding record the agency has on repayments.

OFFICE OF THE GENERAL COUNSEL

The committee recommends an appropriation of \$3,208,750, an increase of \$93,450 over the House allowance, to partially restore the budget estimate of \$3,310,500. In addition this office expects to

receive a transfer of \$195,200 from other agencies making a total available of \$3,403,950 to carry out the legal work of the Department.

OFFICE OF THE SECRETARY

For the Office of the Secretary and immediate staff offices an appropriation of \$2,881,000 is recommended, the House allowance, the budget estimate and \$20,750 over 1959.

OFFICE OF INFORMATION

The committee concurs with the House allowance providing an appropriation of \$1,431,665 for this office, the amount of the budget estimate and an increase of \$3,000 over the appropriation for the fiscal year 1959.

LIBRARY

The committee recommends an appropriation of \$900,000, which is \$32,600 under the budget estimate, and the amount of the House allowance.

The committee concurs in the Department proposal to strengthen field library services at locations where there are concentrations of specialized research workers.

TITLE II—CORPORATIONS

COMMODITY CREDIT CORPORATION

RESTORATION OF CAPITAL IMPAIRMENT

The committee recommends an appropriation of \$1,435,424,413, which is \$100 million under the budget estimate, and the amount of the House allowance.

The committee shares the views expressed in the House report that the Secretary of Agriculture and the officials of the Corporation should make greater efforts to dispose of Government-owned commodities in the world markets and to thereby reduce the cost of storage, interest, and handling charges.

LIMITATION ON ADMINISTRATIVE EXPENSES

The committee recommends an authorization for corporate administrative expenses of \$42,771,000, an increase of \$3,171,000 over the House allowance, and \$2,529,000 under the estimate. The recommended increase is to be placed in the contingency reserve and is to be used only if an unforeseen increase in workload develops.

SIZE LIMITATION ON COMMODITY CREDIT LOANS

The House adopted an amendment restricting the processing of commodity credit loans. The committee recommends that the amendment of the House be stricken, as follows:

~~÷ Provided further, That no funds appropriated in this section shall be used to process a Commodity Credit Loan which is in excess of \$50,000~~

In lieu of the stricken proviso the committee recommends insertion of the following language:

[: Provided further, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of all agricultural commodities, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation]

The committee amendment clarifies several points which were not clear in the House amendment. The proposed amendment will be effective on 1960 crops. It defines coverage, and in general contains suggestions from the Secretary of Agriculture which were sent to the committee for its information and guidance in considering the effect of the House limitation on loans.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR SPECIAL ACTIVITIES

The committee recommends an appropriation of \$1,268,097,500 to reimburse the Commodity Credit Corporation for the estimated cost of authorized programs for fiscal 1959, the amount of the estimate, and the House allowance. This is \$68,657,311 under the amount appropriated for fiscal 1958 costs in the Second Supplemental Appropriation Act, 1959.

A listing of the several items covered under this head, the respective amounts for 1959 and 1960 costs follows:

	Appropriation, 1959 (1958 costs)	Appropriation, 1960 (1959 esti- mated costs)
International Wheat Agreement.....	\$80, 800, 000	\$63, 875, 000
Emergency famine relief to friendly peoples.....	119, 270, 000	104, 508, 000
Sales of surplus agricultural commodities for foreign currencies.....	1, 033, 515, 000	968, 016, 000
Transfer of bartered materials to supplemental stockpile.....	82, 250, 335	129, 000, 000
Grain for migratory waterfowl.....	18, 506	35, 000
Animal disease eradication activities.....	19, 390, 100	1, 056, 500
Grading and classing activities.....	1, 510, 870	1, 607, 000
Total.....	1, 336, 754, 811	1, 268, 097, 500

TITLE III—RELATED AGENCIES**FARM CREDIT ADMINISTRATION**

For the Farm Credit Administration the committee recommends an administrative expense limitation of \$2,125,000, the amount of the estimate, the House allowance, and the amount authorized in 1959.

The necessary liquidation expenditures for the Federal Farm Mortgage Corporation are provided for by language in the bill.

The intermediate credit banks, pursuant to the Farm Credit Act of 1956, are no longer subject to congressional expense limitation.

TITLE IV—GENERAL PROVISIONS

The committee has placed a limit of \$1,500,000 on the appropriation for research and service work to be done by contracting, and has stricken from the bill the proposed language to do this work by grants. The committee believes it should be furnished with more facts and details as to the work done under contract and proposed to be done through grants before acting on this new proposal.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1959 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1960

REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1959 ¹	Budget estimates, 1960	Recommended in House bill for 1960	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations, 1959	Budget estimates, 1960	House bill
Agricultural Research Service:							
Salaries and expenses:							
Research.....	\$62,915,290	\$64,240,000	\$63,961,590	\$70,479,390	+\$7,564,100	+\$6,239,390	+\$6,517,800
Plant and animal disease and pest control.....	52,834,000	49,110,000	48,340,600	51,050,600	-1,883,400	+1,940,600	+2,710,000
Meat inspection.....	20,785,100	21,475,000	21,135,100	21,324,900	+639,800	-150,100	+189,800
Total, salaries and expenses.....	136,634,390	134,825,000	133,437,290	142,854,890	+6,220,500	+8,029,890	+9,417,600
State experiment stations:							
Payments to States and Puerto Rico.....	31,553,708	31,553,708	31,553,708	31,553,708			
Penalty mail.....	250,000	250,000	250,000	250,000			
Total, State experiment stations.....	31,803,708	31,803,708	31,803,708	31,803,708			
Total, Agricultural Research Service.....	168,438,098	166,628,708	165,240,998	174,658,598	+6,220,500	+8,029,890	+9,417,600
Extension Service:							
Payments to States and Puerto Rico.....	² 53,497,755	53,715,000	53,715,000	53,715,000	+217,245		
Retirement costs for Extension agents.....	5,479,375	5,674,375	5,674,375	5,674,375	+195,000		
Penalty mail.....	2,491,307	2,491,307	2,491,307	2,491,307			
Federal Extension Service.....	2,250,640	2,258,795	2,242,540	2,242,540	-8,100	-16,255	
Total, Extension Service.....	63,719,077	64,139,477	64,123,222	64,123,222	+404,145	-16,255	
Farmer Cooperative Service.....	617,900	620,000	615,800	615,800	-2,100	-4,200	

See footnotes at end of table, p. 18.

Comparative statement of appropriations for 1959 and estimates and amounts recommended in bill for 1960—Continued

REGULAR ACTIVITIES (TITLE I)—Continued

Agency and item	Appropriations, 1959	Budget estimates, 1960	Recommended in House bill for 1960	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations, 1959	Budget estimates, 1960	House bill
Soil Conservation Service:							
Conservation operations.....	\$80,882,800	\$81,072,000	\$82,322,000	\$82,322,000	+\$1,439,200	+\$1,250,000	-----
Watershed protection.....	25,500,000	20,000,000	25,500,000	20,000,000	-5,500,000	-----	-\$5,500,000
Flood prevention.....	18,000,000	15,000,000	18,000,000	15,000,000	-3,000,000	-----	-3,000,000
Water conservation and utilization projects.....	335,000	75,000	75,000	75,000	-260,000	-----	-----
Great Plains conservation program.....	10,000,000	12,500,000	7,500,000	10,000,000	-----	-2,500,000	+2,500,000
Total, Soil Conservation Service.....	134,717,800	128,647,000	133,397,000	127,397,000	-7,320,800	-1,250,000	-6,000,000
Agricultural conservation program.....	235,000,000	241,500,000	241,500,000	241,500,000	+6,500,000	-----	-----
Agricultural Marketing Service:							
Marketing research and service:							
Marketing research and agricultural estimates.....	15,371,100	15,437,000	15,044,500	15,514,100	+143,000	+71,100	+469,600
Marketing services.....	22,595,600	26,623,000	24,862,600	26,306,600	+3,711,000	-316,400	+1,444,000
Total, marketing research and services.....	37,966,700	42,060,000	39,907,100	41,820,700	+3,854,000	-239,300	+1,913,600
Payments to States, Territories, and possessions.....	1,160,000	1,160,000	1,160,000	1,195,000	+35,000	+35,000	+35,000
School-lunch program.....	110,000,000	100,000,000	110,000,000	110,000,000	-----	+10,000,000	-----
Total, Agricultural Marketing Service.....	149,126,700	143,220,000	151,067,100	153,015,700	+3,889,000	+9,975,700	+1,948,600
Foreign Agricultural Service.....	4,234,320	4,268,300	3,518,300	3,518,300	-716,020	-750,000	-----
Commodity Exchange Authority.....	895,500	900,000	909,500	900,000	+4,500	-----	-9,500
Soil bank programs:							
Conservation reserve.....	3176,764,593	360,370,000	310,000,000	340,000,000	+163,235,407	-20,370,000	+30,000,000

Acreage reserve.....	609,450,000	1,050,000	-----	-----	-609,450,000	-1,050,000	-----
Total, soil bank programs.....	786,214,593	361,420,000	310,000,000	340,000,000	-446,214,593	-21,420,000	+30,000,000
Commodity Stabilization Service:							
Acreage allotments and marketing quotas.....	41,715,000	39,135,000	39,135,000	39,135,000	-2,580,000	-----	-----
Sugar Act program.....	76,000,000	71,500,000	71,500,000	71,500,000	-4,500,000	-----	-----
Total, Commodity Stabilization Service.....	117,715,000	110,635,000	110,635,000	110,635,000	-7,080,000	-----	-----
Federal Crop Insurance Corporation: Operation and administrative expenses.....	6,376,700	6,376,700	6,376,700	6,376,700	-----	-----	-----
Rural Electrification Administration: Salaries and expenses.....	9,601,300	9,632,000	9,632,000	9,632,000	+30,700	-----	-----
Farmers Home Administration: Salaries and expenses.....	31,189,500	31,300,000	30,300,000	31,189,500	-----	-110,500	+889,500
Office of the General Counsel.....	3,208,750	3,310,500	3,115,300	3,208,750	-----	-101,750	+93,450
Office of the Secretary.....	2,860,250	2,881,000	2,881,000	2,881,000	+20,750	-----	-----
Office of Information.....	1,428,665	1,431,665	1,431,665	1,431,665	+3,000	-----	-----
Library.....	831,500	932,600	900,000	900,000	+68,500	-----	-----
Total, regular activities.....	1,716,175,653	1,277,842,950	1,235,643,585	1,271,983,235	-444,192,418	-5,859,715	+36,339,650

CORPORATIONS (TITLE II)

Federal Crop Insurance Corporation: Administrative and operating expenses.....	(\$2,297,000)	(\$2,330,000)	(\$2,330,000)	(\$2,330,000)	(+\$33,000)	-----	-----
Commodity Credit Corporation:							
Restoration of capital impairment.....	1,760,399,886	1,535,424,413	1,435,424,413	1,435,424,413	-324,975,472	-\$100,000,000	-----
Administrative expense limitation.....	(39,600,000)	(45,300,000)	(39,600,000)	(42,771,000)	(+3,171,000)	(-2,529,000)	(+\$3,171,000)
Total, Commodity Credit Corporation.....	1,760,399,886	1,555,424,413	1,435,424,413	1,435,424,413	-324,975,473	-100,000,000	-----

See footnote at end of table.

Comparative statement of appropriations for 1959 and estimates and amounts recommended in bill for 1960—Continued

CORPORATIONS (TITLE II)—Continued

Agency and item	Appropriations, 1959 ¹	Budget estimates, 1960	Recommended in House bill for 1960	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations, 1959	Budget estimates, 1960	House bill
Reimbursements to Commodity Credit Corporation for special activities:							
International Wheat Agreement.....	\$80,800,000	\$63,875,000	\$63,875,000	\$63,875,000	-\$16,925,000		
Emergency famine relief.....	119,270,000	104,508,000	104,508,000	104,508,000	-14,762,000		
Sales for local currencies (Public Law 480).....	1,033,515,000	968,016,000	968,016,000	968,016,000	-65,499,000		
Migratory waterfowl feed.....	18,506	35,000	35,000	35,000	+16,494		
Bartered materials for stockpile.....	82,250,335	129,000,000	129,000,000	129,000,000	+46,749,665		
Animal disease eradication.....	19,390,100	1,056,500	1,056,500	1,056,500	-18,333,600		
Grading and classing activities.....	1,510,870	1,607,000	1,607,000	1,607,000	+96,130		
Total, reimbursements to CCC for special activities.....	1,336,754,811	1,268,097,500	1,268,097,500	1,268,097,500	-68,657,311		
Total, Corporations.....	3,097,154,697	2,803,521,913	2,703,521,913	2,703,521,913	-393,632,784	-\$100,000,000	

RELATED AGENCIES (TITLE III)

Farm Credit Administration.....	(\$2,125,000)	(\$2,125,000)	(\$2,125,000)	(\$2,125,000)			
Federal intermediate credit banks.....	(1,693,000)				(-\$1,693,000)		
Total, related agencies.....	(3,818,000)	(2,125,000)	(2,125,000)	(2,125,500)	(-\$1,693,000)		
Total, titles I through III.....	4,813,330,350	4,081,364,863	3,939,165,498	3,975,515,148	-837,825,202	-\$105,859,715	+\$36,359,650

¹ Includes all adjustments for pay act, penalty mail, and other costs covered in the Second Supplemental Appropriation Act, 1959.

² An appropriation of \$53,715,000 was provided for 1959. Amount reduced by transfers to other activities for pay increases and penalty mail costs as provided in Second Supplemental Appropriation Act, 1959.

³ An appropriation of \$200,000,000 was provided for 1959. Amount reduced by transfers for pay costs, penalty mail, and other costs as provided in Second Supplemental Appropriation Act, 1959.

LOAN AUTHORIZATIONS

Agency and item	Authorizations, 1959	Estimates, 1960	Recommended in House bill for 1960	Amount rec- ommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropria- tions, 1959	Budget esti- mates, 1960	House bill
Rural Electrification Administration:							
Electrification.....	\$317,000,000	\$136,000,000	\$136,000,000	\$136,000,000	—\$181,000,000		
Telephone.....	67,500,000	79,000,000	79,000,000	79,000,000	+11,500,000		
Total, Rural Electrification Administration.....	384,500,000	215,000,000	215,000,000	215,000,000	—169,500,000		
Farmers Home Administration:							
Farm ownership.....	24,000,000	12,000,000	24,000,000	24,000,000		+ \$12,000,000	
Farm operation (production and subsistence).....	180,000,000	160,000,000	180,000,000	180,000,000		+20,000,000	
Soil and water conservation.....	5,500,000	1,000,000	2,000,000	2,000,000	—3,500,000	+1,000,000	
Total, Farmers Home Administration.....	209,500,000	173,000,000	206,000,000	206,000,000	—3,500,000	+33,000,000	
Total, loan authorizations.....	594,000,000	388,000,000	421,000,000	421,000,000	—173,000,000	+33,000,000	

PERMANENT AUTHORIZATIONS

Agency and item	Authorizations, 1959	Estimates, 1960	Increase or decrease
Agricultural Research Service:			
Alterations and improvements, Animal Quarantine Station, Clifton, N.J.....	\$30,000	-----	-\$30,000
Agricultural Marketing Service:			
Removal of surplus agricultural commodities.....	235,936,663	\$246,000,000	+10,063,337
Perishable Agricultural Commodities Act fund.....	675,000	685,000	+10,000
Total, Agricultural Marketing Service.....	236,611,663	246,685,000	+10,073,337
Commodity Stabilization Service: National Wool Act.....	24,453,099	47,630,000	+23,176,901
Total, permanent authorizations.....	261,094,762	294,315,000	+33,220,238

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued May 29, 1959
For actions of May 28, 1959
86th-1st, No. 87

Adjournment.....	11,19
Agricultural appropriations.....	1,10
Alaska.....	4,15,18
Appropriations	1,3,10,12,13,18
Barter.....	16
Contracts.....	26
Corn.....	24
Cost-sharing.....	28
Dairy prices.....	8
Depressed areas.....	20
Economic council.....	29
Electrification.....	22
Executive-Legislative relations.....	17
Farm program.....	21,31
Flood control.....	28
Foreign aid.....	7
Forest highways.....	12
Forestry.....	9,12

Labeling.....	32
Lands.....	16,27
Legislative program.....	10,18
Library services.....	23
Minerals.....	16,30
Mining.....	16
Natural resources.....	9
Patents.....	33
Pesticides.....	32
Property.....	34
Purchasing.....	26
Reorganization.....	18
Ryukyu Islands.....	25
Security.....	29
Subsidies.....	12
Tariff.....	12
Water pollution.....	14,18
Water resources.....	6
Watersheds.....	5
Wheat.....	18

HIGHLIGHTS: Senate committee reported agricultural appropriation bill, to be debated Mon. Senate passed Treasury-Post Office appropriation bill. Sen. Stennis opposed limiting price support payments to farmers. House passed Commerce appropriation bill. Sen. Bush introduced and discussed bill to establish uniform cost-sharing for water projects.

SENATE

1. **AGRICULTURAL APPROPRIATION BILL, 1960.** The Appropriations Committee reported with amendments this bill, H. R. 7175 (S. Rept. 330). ~~p. 8330~~

Representatives of the Department agencies have been advised in detail of the committee's actions on the estimates for the Department. Copies of the bill and committee report will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.

At the end of this Digest are a comparison of the Committee actions and excerpts from the committee report.

Sen. Johnson announced that this bill will be considered Mon., June 1 (pp. 8325, 8429). The bill was made the unfinished business. (p. 8440)

Sen. Stennis expressed his opposition to a provision in the bill, as reported by the Senate Appropriations Committee, "limiting to \$50,000 the total amount of price support which an individual producer could receive on the 1960 production of all agricultural commodities," and submitted an amendment he will propose to the bill which will "simply require the producer to repay all loans in excess of \$50,000 at the end of the marketing year." pp. 8429-30

2. D. C. APPROPRIATION BILL. Passed, 68 to 0, with amendments this bill, H. R. 5676 (pp. 8343, 8357-90, 8395-7, 8398). Agreed to an amendment by Sen. Morse to increase the appropriation by \$133,000 over the committee figure for D. C. school lunches (p. 8378). Conferees were appointed (p. 8398). House conferees have not yet been appointed.
3. TREASURY-POST OFFICE APPROPRIATION BILL. Passed, 53 to 3, with amendments this bill, H. R. 5805 (pp. 8400, 8403-23, 8425-9). Conferees were appointed (p. 8429). House conferees have not yet been appointed.
4. ALASKA. The Interior and Insular Affairs Committee reported with amendments S. 1541, to amend certain laws of the U. S. in light of the admission of Alaska (S. Rept. 331). p. 8330
5. WATERSHEDS. Received from the Budget Bureau plans for works of improvement for the following watersheds:
French Creek, Wash., and Marshland, Wash.; to Agriculture and Forestry Committee. p. 8327
Tobesofkee Creek, Ga., Big Blue, Ill., and Shoal Creek, Ill.; to Public Works Committee. p. 8328
6. WATER RESOURCES. Sen. Morse inserted a Christian Science Monitor article quoting from Secretary Benson's speech to the Sixth National Watershed Congress in which he urged conservation of our water resources, and Sen. Morse criticized the Secretary for not supporting construction of the Hells Canyon dam. pp. 8353-4
7. FOREIGN AID. Sen. Javits urged continuation of our foreign aid program, disagreed with the proposal by Sen. Mansfield to cut off certain foreign aid grants at the end of 3 years, and inserted several articles discussing the foreign aid program. pp. 8390-5
8. DAIRY PRICES. Sens. Wiley and Proxmire expressed concern over dairy prices in Wisc., and Sen. Wiley inserted an address by the editor of the Madison Capital Times contending that "the huge share of the Consumer's dollar that goes to the processor has been growing, that it increases the price of milk for the housewife, and seriously depresses the income of the dairy farmer." pp. 8402-3
9. FORESTRY. Received from the Calif. Legislature resolutions favoring enactment of legislation for a long-range program for the national forests, and the appropriation of sufficient funds to provide for preparation and placement of a full allowable cut in each working circle of each national forest in Calif. p. 8328
Received a Nev. Legislature resolution favoring enactment of legislation to establish a youth conservation corps to aid in conservation of natural resources. pp. 8329-30

30. MINERALS. S. J. Res. 101, by Sen. Symington, to authorize the transfer by sale or exchange of white phosphorous by the Department of the Army; to Armed Services Committee.
31. FARM PROGRAM. H. R. 7428, by Rep. Corbett, to provide for a new farm program; to Agriculture Committee.
32. LABELING. H. R. 7430, by Rep. Haley, to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil; to Interstate and Foreign Commerce Committee.
33. PATENTS. H. R. 7432, by Rep. King, Utah, to amend chapter 27 of title 35 of the United States Code with respect to the rights of the United States in certain patents, to Judiciary Committee. Remarks of author. pp. A4542-3
34. PROPERTY. H. R. 7433, by Rep. Knox, to provide for the payment by the United States of a portion of assessments for improvements benefiting federally owned real property in certain cases; to Public Works Committee.

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COMMITTEE HEARINGS ANNOUNCEMENTS:

- May 29: Availability of mortgage credit in next decade, S. Banking and Currency (Scott and Hansen to testify).
- June 1: Applications for tracts in Caribou and Targhee Forests, H. Interior (Crafts, FS, to testify).

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EXCERPTS FROM THE COMMITTEE REPORT ON THE DEPARTMENT OF AGRICULTURE AND
FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

AGRICULTURAL RESEARCH SERVICE

Soil and Water Research

"The committee *** has recommended strengthening of soil and water research by the amount of \$2,016,800. These increases are in accordance with priority listings and amounts recommended by the Department to strengthen existing research stations and facilities to bring them to their most effective operating level before starting the construction of additional new facilities."

Research on Cotton Boll Weevil

"*** an appropriation of \$1,893,000 is recommended, of which \$1,593,000 is a nonrecurring item to construct research laboratory facilities at State College, Miss., and \$300,000 is to step up the research effort next year at present locations."

Borer and Other Corn Insects

"*** The committee recommends an appropriation of \$1,483,000 for the construction of two laboratories, one of which is to be located at the Coastal Plains Experiment Station for research on the corn insect problems of the Southeast, and the other to be located in the Midwest."

Plant and Animal Disease and Pest Control

"*** The principal increase by the committee was \$2,500,000 for brucellosis eradication, providing a total of \$17,500,000 instead of \$15 million as proposed in the budget."

SOIL CONSERVATION SERVICE

Conservation Operations

"*** The attention of the committee has been directed to reports that in some States the soil conservation district organizations have entered into arrangements with earth-moving contractors who perform services paid in whole or in part from Federal funds, under which practices such contractors make contributions to the district organization. While these arrangements may not be illegal under the State laws, it is a bad practice. The Secretary of Agriculture and the General Accounting Office are directed to police this matter and where they find such practices to exist, to report them to the committee, together with corrective action taken to see that the practices are discontinued."

AGRICULTURAL CONSERVATION PROGRAM

Five Percent Transfer Proviso

"The committee agrees with the views expressed in the House report regarding the time-consuming and costly recordkeeping processes imposed on county offices and local SCS district technicians in arranging for the transfer of and then reporting on use of ACP funds transferred to SCS for the servicing of technical practices under this program.

"After a number of years of experience the departmental officials concerned undoubtedly know the average cost of technical service charges for the various practices carried out under the transferred funds."

"The new procedures put into effect in the 1959 program for arranging transfers and the detailed accounting and billing requirements thereunder should be immediately reexamined and greatly simplified, and unless this is done the committee will consider recommending the deletion of any authority for the transfer of funds when it considers the appropriation bill for 1961. The Department is requested to report to the committee within 60 days on steps taken to carry out the recommended simplification of transfer of funds and the accounting procedures."

AGRICULTURAL MARKETING SERVICE

Marketing Research and Agricultural Estimates

"*** The committee has restored the proposed House reduction of \$294,600 for consumer preference studies. The results of these studies serve as a valuable aid to the packaging, distribution, and marketing of farm products. The committee believes they should be continued.

"The committee recommends \$125,000 for extension of cattle-on-feed estimates and reports***"

SOIL BANK PROGRAM

Conservation Reserve

Need For Strengthened Administration

"The committee does not approve of the tentative plans of the Department to redistribute State or area allocations under the conservation program to deal with unusual conditions existing in any one crop. If there is to be any change of policy on the allocation of funds the Department should give first consideration in the 1960 program to those applicants the 1959 program signups not included in the 1959 program because they were in excess of the available fund allocations.

"It shall give due regard in the distribution of the funds under this authorization to those areas where cultivated and actually farmed land is being offered for contract and on which the conservation practices to be installed will bring about permanent conservation benefits and land use adjustment.

"Careful attention shall be given to preclude large allotments of funds for contracts in geographic areas where it may be used for disaster relief involving excessive rental payments for long contract periods on marginal cropland, as has been widely reported.

"Officials of the Department stated that there had been numerous instances where practices had to be reestablished, and this cost sharing may run as high as \$10 million. The committee has carefully considered this matter and is opposed to any of the funds appropriated herein being used for this purpose, except in case of natural disaster Federal cost-sharing on repeat practices is approved, if it is reduced by 50 percent.

"The committee expects the above and other precautionary measures be taken by the Department in administering the 1960 program authorization, and the contracts already in effect. It believes that if adequate regulations and operating instructions are issued, and carried out by State and county committees the objectives of the limitations inserted by the House are not needed.

"The committee has modified the House provision inserted to limit total payments to any individual who enters into a contract by making the limitation apply only to the rental payment in lieu of rental and practice payment as proposed by the House. The committee also raised the amount from \$3,000 to \$5,000." ***

COMMODITY STABILIZATION SERVICE

Acreage Allotments and Marketing Quotas

"*** The additional funds for pay increases provided in this bill are to be used only to reestablish the salary relationship which existed between the salaries paid county committee employees and other local and Federal employees prior to enactment of the Federal Employees Salary Increase Pay Act of 1958, and in accordance with the pay scales developed by the Department in recent years.

"This committee agrees with the House that the number of employees in county committee offices should be kept to the minimum."

COMMODITY CREDIT CORPORATION

Size Limitation on Commodity Credit Loans

"The House adopted an amendment restricting the processing of commodity credit loans. The committee recommends that the amendment of the House be stricken, ***

"In lieu of the stricken proviso the committee recommends insertion of the following language:

: Provided further, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of all agricultural commodities, (2) that the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation

"The committee amendment clarifies several points which were not clear in the House amendment. The proposed amendment will be effective on 1960 crops, it defines coverage, and in general contains suggestions from the Secretary of Agriculture which were sent to the committee for its information and guidance in considering the effect of the House limitation on loans."

UNITED STATES DEPARTMENT OF AGRICULTURE

Senate Committee Bill, 1960, Compared with House Bill, 1960

[Note.--Amounts for 1959 are adjusted for comparability with the appropriation structure proposed in the 1960 House Bill and include all supplementals to date.]

Agency or Item	Appropriations and Loan Authorizations, 1959	Budget Estimates, 1960	House Bill, 1960	Senate Committee Bill, 1960	Increase (+) or Decrease (-), Senate Committee Bill Compared with House Bill
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:					
Agricultural Research Service:					
Research	\$62,915,290:	\$64,240,000:	a/\$63,961,590:	a/\$70,479,390:	+\$6,517,800
Plant and animal disease and pest control and meat inspection	73,719,100:	70,585,000:	69,475,700:	72,375,500:	+2,899,800
State Experiment Stations (principally payments to States)	31,803,708:	31,803,708:	31,803,708:	31,803,708:	- -
Extension Service (principally payments to States)	63,936,322:	64,139,477:	64,123,222:	64,123,222:	- -
Soil Conservation Service	134,717,800:	128,647,000:	133,397,000:	127,397,000:	-6,000,000
Agricultural Conservation Program Service	235,000,000:	241,500,000:	b/241,500,000:	b/241,500,000:	- -
Agricultural Marketing Service:					
Marketing research and service, and payments to States	39,126,700:	43,220,000:	41,067,100:	43,015,700:	+1,948,600
School lunch program	110,000,000:	100,000,000:	d/110,000,000:	d/110,000,000:	- -
Foreign Agricultural Service	4,234,320:	4,268,300:	3,518,300:	3,518,300:	- -
Soil bank programs:					
Conservation reserve	200,000,000:	360,370,000:	e/310,000,000:	e/340,000,000:	+30,000,000
Acresage reserve	609,450,000:	1,050,000:	- -	- -	- -
Commodity Stabilization Service:					
Acresage allotments and marketing quotas	41,715,000:	39,135,000:	39,135,000:	39,135,000:	- -
Sugar Act program	76,000,000:	71,500,000:	71,500,000:	71,500,000:	- -
Federal Crop Insurance Corporation:					
Operating and administrative expenses	6,376,700:	6,376,700:	6,376,700:	6,376,700:	- -
Rural Electrification Administration					
(Salaries and expenses)	9,601,300:	9,632,000:	9,632,000:	9,632,000:	- -
Farmers Home Administration (Salaries and expenses)	31,189,500:	31,300,000:	30,300,000:	31,189,500:	+889,500

(Continued on next page)

ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES-

Continued:

All other	9,842,565:	10,075,765:	9,853,265:	9,937,215:	+83,950
Deduct, to avoid duplication in total, amounts transferred to other activities from above appropriations	-:	-:	-:	-:	
Total, Annual Appropriations for Regular Activities	-23,452,652:	-:	-:	-:	
RESTORATION OF CAPITAL IMPAIRMENT, COMMODITY: CREDIT CORPORATION	1,716,175,653:1,277,842,950:1,235,643,585:1,271,983,235:	-:	-:	-:	+36,339,650
CORPORATE ADMINISTRATIVE EXPENSE LIMITATION: COMMODITY CREDIT CORPORATION	1,760,399,886:1,535,424,413:1,435,424,413:1,435,424,413:	-:	-:	-:	-
REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR SPECIAL ACTIVITIES	39,600,000:	45,300,000:f/	39,600,000:f/	42,771,000:	+3,171,000
LOAN AUTHORIZATIONS:	1,336,754,811:1,268,097,500:1,268,097,500:1,268,097,500:	-:	-:	-:	-
Rural Electrification Administration loans:g/	409,500,000:h/240,000,000:h/240,000,000:	-:	-:	240,000,000:	-
Farmers Home Administration loans	209,500,000:	173,000,000:	206,000,000:	206,000,000:	-
Total, Loan Authorizations	619,000,000:	413,000,000:	446,000,000:	446,000,000:	-
PERMANENT APPROPRIATIONS:	-:	-:	-:	-:	-
Removal of surplus agricultural commodities (30% of customs receipts)	235,936,663:	246,000,000:	246,000,000:	246,000,000:	-
National Wool Act	24,453,099:	47,630,000:	47,630,000:	47,630,000:	-
All other permanent appropriations	705,000:	685,000:	685,000:	685,000:	-
Total, Permanent appropriations	261,094,762:	294,315,000:	294,315,000:	294,315,000:	-

a/ Bill includes language authorizing the reappropriation of \$1,000,000 of 1959 funds to provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research institutions in the field.

b/ Bill provides for advance authorization of \$250,000,000 for the 1960 program; \$100,000,000 was proposed in the Budget Estimates.

c/ In addition, the Appropriation Act provides that \$35,000,000 shall be transferred from Sec. 32 funds for purchase of agricultural commodities for distribution to schools.

- d/ In addition, House Bill provides that \$43,657,248 shall be transferred from the unused balance of Sec. 32 funds for 1959 for additional payments to States for the purchase of food. Senate Committee Bill provides instead that this transfer shall be used for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.
- e/ House Bill would limit payments to producers in any calendar year to \$325,000,000, and Senate Committee Bill to \$450,000,000, compared with \$375,000,000 in the Budget Estimates. The House Bill also added language limiting annual rental payments to any individual or corporation to \$3,000; the Senate Committee Bill increased this limitation to \$5,000.
- f/ House Bill includes provision limiting to \$50,000 the amount of any commodity credit loan; Senate Committee Bill instead, limits to \$50,000 the total amount of price support to be extended through loans, purchases, or purchase agreements by CCC to any person on the 1960 production of all agricultural commodities.
- g/ Includes reserve authorization of \$25,000,000 for rural telephone loans which it is anticipated will be used in 1959. It is currently estimated that rural electrification loans totaling \$175,000,000 and rural telephone loans totaling \$98,000,000 will be made in fiscal year 1959.
- h/ Includes reserve authorization of \$25,000,000 for rural telephone loans which it is anticipated will be used in 1960. Including the carryover of funds from prior years, it is estimated that rural electrification loans totaling \$245,000,000 and rural telephone loans totaling \$105,000,000 will be made in fiscal year 1960.

Calendar No. 317

86TH CONGRESS
1ST SESSION

H. R. 7175

[Report No. 330]

IN THE SENATE OF THE UNITED STATES

MAY 21, 1959

Read twice and referred to the Committee on Appropriations

MAY 28, 1959

Reported by Mr. RUSSELL, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1960; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—REGULAR ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, and home economics, to
7 control and eradicate pests and plant and animal diseases,
8 and to perform related inspection, quarantine and regulatory
9 work, and meat inspection: *Provided*, That not to exceed
10 \$75,000 of the appropriations hereunder shall be available
11 for employment pursuant to the second sentence of section
12 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
13 amended by section 15 of the Act of August 2, 1946 (5
14 U.S.C. 55a): *Provided further*, That appropriations here-
15 under shall be available for the operation and maintenance
16 of aircraft and the purchase of not to exceed two for replace-
17 ment only: *Provided further*, That appropriations hereunder
18 shall be available pursuant to title 5, United States Code,
19 section 565a, for the construction, alteration, and repair of
20 buildings and improvements, but unless otherwise provided,
21 the cost of constructing any one building (except headhouses
22 connecting greenhouses) shall not exceed \$10,000, except
23 for five buildings to be constructed or improved at a cost not
24 to exceed \$20,000 each, and the cost of altering any one

1 building during the fiscal year shall not exceed \$3,750 or 4
2 per centum of the cost of the building, whichever is greater:

3 Research: For research and demonstrations on the pro-
4 duction and utilization of agricultural products, home eco-
5 nomics, and related research and services, including admin-
6 istration of payments to State agricultural experiment sta-
7 tions; ~~\$63,961,590~~ \$70,479,390: *Provided*, That the Secre-
8 tary is authorized to acquire from the Department of the
9 Army without reimbursement land and improvements at
10 Orlando, Florida, to be transferred pursuant to the Federal
11 Property and Administrative Services Act of 1949, as
12 amended: *Provided further*, That the limitations contained
13 herein shall not apply to (a) replacement of buildings needed
14 to carry out the Act of April 24, 1948 (21 U.S.C. 113a),
15 or (b) not to exceed ~~\$739,000~~ \$3,815,000 for the construc-
16 tion and alteration of buildings: *Provided further*, That the
17 Secretary is authorized to acquire by donation lands necessary
18 for the construction thereof;

19 Plant and animal disease and pest control: For oper-
20 ations and measures, not otherwise provided for, to control
21 and eradicate pests and plant and animal diseases and for
22 carrying out assigned inspection, quarantine, and regulatory
23 activities, as authorized by law, including expenses pursuant
24 to the Act of February 28, 1947 (21 U.S.C. 114b-d),

1 ~~\$48,340,600~~ \$51,050,600, of which \$1,500,000 shall be ap-
 2 portioned for use pursuant to section 3679 of the Revised
 3 Statutes, as amended, for the control of outbreaks of insects
 4 and plant diseases to the extent necessary to meet emergency
 5 conditions;

6 Meat inspection: For carrying out the provisions of
 7 laws relating to Federal inspection of meat, and meat-food
 8 products, and the applicable provisions of the laws relating
 9 to process or renovated butter, ~~\$21,135,100~~ \$21,324,900;

10 Special fund: To provide for additional labor to be
 11 employed under contracts and cooperative agreements to
 12 strengthen the work at research installations in the field, not
 13 more than \$1,000,000 of the amount appropriated under
 14 this head for the fiscal year 1959 may be used by the Ad-
 15 ministrator of the Agricultural Research Service in the fiscal
 16 year 1960, the amount so used to be transferred to and
 17 merged with the appropriation otherwise available under
 18 "Salaries and expenses, Research".

19 STATE EXPERIMENT STATIONS

20 Payments to States, Hawaii, and Puerto Rico: For pay-
 21 ments to agricultural experiment stations to carry into effect
 22 the provisions of the Hatch Act, approved March 2, 1887,
 23 as amended by the Act approved August 11, 1955 (7
 24 U.S.C. 361a-361i), including administration by the United
 25 States Department of Agriculture, \$31,053,708; and pay-

1 ments authorized under section 204 (b) of the Agricultural
2 Marketing Act, the Act approved August 14, 1946 (7
3 U.S.C. 1623), \$500,000; in all, \$31,553,708.

4 Penalty mail: For penalty mail costs of agricultural ex-
5 periment stations under section 6 of the Hatch Act of 1887,
6 as amended, \$250,000.

7 DISEASES OF ANIMALS AND POULTRY

8 Eradication activities: For expenses necessary in the
9 arrest and eradication of foot-and-mouth disease, rinderpest,
10 contagious pleuro-pneumonia, or other contagious or infec-
11 tious diseases of animals, or European fowl pest and similar
12 diseases in poultry, and for foot-and-mouth disease and rinder-
13 pest programs undertaken pursuant to the provisions of the
14 Act of February 28, 1947, and the Act of May 29, 1884, as
15 amended (7 U.S.C. 391; 21 U.S.C. 111-122), including
16 expenses in accordance with section 2 of said Act of Febru-
17 ary 28, 1947, the Secretary may transfer from other appro-
18 priations or funds available to the bureaus, corporations, or
19 agencies of the Department such sums as he may deem
20 necessary, to be available only in an emergency which
21 threatens the livestock or poultry industry of the country,
22 and any unexpended balances of funds transferred under
23 this head in the next preceding fiscal year shall be merged
24 with such transferred amounts: *Provided*, That this appro-
25 priation shall be subject to applicable provisions contained

1 in the item "Salaries and expenses, Agricultural Research
2 Service".

3 EXTENSION SERVICE

4 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

5 Payments to States, Hawaii, and Puerto Rico: For pay-
6 ments for cooperative agricultural extension work under the
7 Smith-Lever Act, as amended by the Act of June 26, 1953
8 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7
9 U.S.C. 347a), \$52,220,000; and payments and contracts
10 for such work under section 204 (b) -205 of the Agricultural
11 Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000;
12 in all, \$53,715,000: *Provided*, That funds hereby appropri-
13 ated pursuant to section 3 (c) of the Act of June 26, 1953,
14 shall not be paid to any State, Hawaii, or Puerto Rico prior
15 to availability of an equal sum from non-Federal sources for
16 expenditure during the current fiscal year.

17 Retirement costs for extension agents: For cost of em-
18 ployer's share of Federal retirement for cooperative exten-
19 sion employees, \$5,674,375.

20 Penalty mail: For costs of penalty mail for cooperative
21 extension agents and State extension directors, \$2,491,307.

22 Federal Extension Service: For administration of the
23 Smith-Lever Act, as amended by the Act of June 26, 1953
24 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7
25 U.S.C. 347a), and extension aspects of the Agricultural

1 Marketing Act of 1946 (7 U.S.C. 1621-1627), and to co-
2 ordinate and provide program leadership for the extension
3 work of the Department and the several States, Territories,
4 and insular possessions, \$2,242,540.

5 FARMER COOPERATIVE SERVICE

6 SALARIES AND EXPENSES

7 For necessary expenses to carry out the Act of July 2,
8 1926 (7 U.S.C. 451-457), \$615,800.

9 SOIL CONSERVATION SERVICE

10 CONSERVATION OPERATIONS

11 For necessary expenses for carrying out the provisions
12 of the Act of April 27, 1935 (16 U.S.C. 590a-590f),
13 including preparation of conservation plans and establish-
14 ment of measures to conserve soil and water (including
15 farm irrigation and land drainage and such special measures
16 as may be necessary to prevent floods and the siltation of
17 reservoirs); operation of conservation nurseries; classifica-
18 tion and mapping of soils; dissemination of information;
19 purchase and erection or alteration of permanent buildings;
20 and operation and maintenance of aircraft, \$82,322,000:
21 *Provided*, That the cost of any permanent building pur-
22 chased, erected, or as improved, exclusive of the cost
23 of constructing a water supply or sanitary system
24 and connecting the same to any such building and with the
25 exception of buildings acquired in conjunction with land

1 being purchased for other purposes, shall not exceed \$2,500,
2 except for eight buildings to be constructed or improved at
3 a cost not to exceed \$15,000 per building and except that
4 alterations or improvements to other existing permanent
5 buildings costing \$2,500 or more may be made in any
6 fiscal year in an amount not to exceed \$500 per building:
7 *Provided further*, That no part of this appropriation shall
8 be available for the construction of any such building on
9 land not owned by the Government: *Provided further*, That
10 in the State of Missouri, where the State has established a
11 central State agency authorized to enter into agreements
12 with the United States or any of its agencies on policies and
13 general programs for the saving of its soil by the extension
14 of Federal aid to any soil conservation district in such State,
15 the agreements made by or on behalf of the United States
16 with any such soil conservation district shall have the prior
17 approval of such central State agency before they shall
18 become effective as to such district: *Provided further*, That
19 no part of this appropriation may be expended for soil and
20 water conservation operations under the Act of April 27,
21 1935 (16 U.S.C. 590a-590f), in demonstration projects:
22 *Provided further*, That not to exceed \$5,000 may be used
23 for employment pursuant to the second sentence of section
24 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as
25 amended by section 15 of the Act of August 2, 1946

1 (5 U.S.C. 55a) : *Provided further*, That qualified local engi-
 2 neers may be temporarily employed at per diem rates to
 3 perform the technical planning work of the service.

4 WATERSHED PROTECTION

5 For expenses necessary to conduct surveys, investiga-
 6 tions, and research and to carry out preventive measures, in-
 7 cluding, but not limited to, engineering operations, methods
 8 of cultivation, the growing of vegetation, and changes in
 9 use of land, in accordance with the Watershed Protection
 10 and Flood Prevention Act, approved August 4, 1954, as
 11 amended (16 U.S.C. 1001-1007), and the provisions of
 12 the Act of April 27, 1935 (16 U.S.C. 590a-590f), to
 13 remain available until expended, ~~\$25,500,000~~ \$20,000,000,
 14 with which shall be merged the unexpended balances of
 15 funds heretofore appropriated or transferred to the Depart-
 16 ment for watershed protection purposes: *Provided*, That not
 17 to exceed \$100,000 may be used for employment pursuant
 18 to the second sentence of section 706 (a) of the Organic Act
 19 of 1944 (5 U.S.C. 574), as amended by section 15 of the
 20 Act of August 2, 1946 (5 U.S.C. 55a).

21 FLOOD PREVENTION

22 For expenses necessary, in accordance with the Flood
 23 Control Act, approved June 22, 1936 (33 U.S.C. 701-709),
 24 as amended and supplemented, and in accordance with the

1 provisions of laws relating to the activities of the Depart-
2 ment, to perform works of improvement, including not to
3 exceed \$100,000 for employment pursuant to the second
4 sentence of section 706 (a) of the Organic Act of 1944 (5
5 U.S.C. 574), as amended by section 15 of the Act of
6 August 2, 1946 (5 U.S.C. 55a), to remain available until
7 expended, ~~\$18,000,000~~ \$15,000,000, with which shall be
8 merged the unexpended balances of funds heretofore appro-
9 priated or transferred to the Department for flood prevention
10 purposes: *Provided*, That no part of such funds shall be
11 used for the purchase of lands in the Yazoo and Little Talla-
12 hatchie watersheds without specific approval of the county
13 board of supervisors of the county in which such lands are
14 situated.

15 WATER CONSERVATION AND UTILIZATION PROJECTS

16 For expenses necessary to carry out the functions of the
17 Department under the Acts of August 11, 1939, and Octo-
18 ber 14, 1940 (16 U.S.C. 590y-z-10), as amended and sup-
19 plemented, June 28, 1949 (63 Stat. 277), and September
20 6, 1950 (7 U.S.C. 1033-39), relating to water conserva-
21 tion and utilization projects, to remain available until ex-
22 pended, \$75,000, which sum shall be merged with the unex-
23 pended balances of funds heretofore appropriated to said
24 Department for the purpose of said Acts.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16 (b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), ~~\$7,500,000~~ \$10,000,000, to remain available until expended.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 16, 16 (a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590 (o), 590p (a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$241,500,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959, carried out during the period July 1, 1958, to December 31, 1959, inclusive: *Provided*, That not to exceed \$26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative

1 expenses for carrying out such program, the cost of aerial
2 photographs, however, not to be charged to such limitation;
3 but not more than \$5,424,200 shall be transferred to the
4 appropriation account "Administrative expenses, section
5 392, Agricultural Adjustment Act of 1938": *Provided fur-*
6 *ther*, That none of the funds herein appropriated shall be used
7 to pay the salaries or expenses of any regional information
8 employees or any State information employees, but this shall
9 not preclude the answering of inquiries or supplying of in-
10 formation at the county level to individual farmers: *Provided*
11 *further*, That such amounts shall be available for administra-
12 tive expenses in connection with the formulation and admin-
13 istration of the 1960 program of soil-building and soil- and
14 water-conserving practices, under the Act of February 29,
15 1936, as amended (amounting to \$250,000,000, including
16 administration, and no participant shall receive more than
17 \$2,500, except where the participants from two or more
18 farms or ranches join to carry out approved practices de-
19 signed to conserve or improve the agricultural resources of
20 the community) : *Provided further*, That no change shall be
21 made in such 1960 program which will have the effect in
22 any county, of restricting eligibility requirements or cost-
23 sharing on practices included in ~~either the 1957 or the 1958~~
24 ~~programs in the 1959 program~~, unless such change shall have
25 been recommended by the county committee and approved

1 by the State committee: *Provided further*, That the propor-
2 tion of the State fund initially allocated to any county for the
3 1960 program shall not be reduced from the distribution of
4 such fund for the 1958 program year: *Provided further*, That
5 not to exceed 5 per centum of the allocation for the 1960
6 agricultural conservation program for any county may, on
7 the recommendation of such county committee and approval
8 of the State committee, be withheld and allotted to the Soil
9 Conservation Service for services of its technicians in formu-
10 lating and carrying out the agricultural conservation pro-
11 gram in the participating counties, and shall not be utilized
12 by the Soil Conservation Service for any purpose other than
13 technical and other assistance in such counties, and in ad-
14 dition, on the recommendation of such county committee
15 and approval of the State committee, not to exceed 1 per
16 centum may be made available to any other Federal, State,
17 or local public agency for the same purpose and under the
18 same conditions: *Provided further*, That for the 1960 pro-
19 gram \$2,500,000 shall be available for technical assistance
20 in formulating and carrying out agricultural conservation
21 practices and \$1,000,000 shall be available for conservation
22 practices related directly to flood prevention work in ap-
23 proved watersheds: *Provided further*, That such amounts
24 shall be available for the purchase of seeds, fertilizers,
25 lime, trees, or any other farming material, or any soil-

1 terracing services, and making grants thereof to agricul-
2 tural producers to aid them in carrying out farming practices
3 approved by the Secretary under programs provided for
4 herein: *Provided further*, That no part of any funds avail-
5 able to the Department, or any bureau, office, corporation,
6 or other agency constituting a part of such Department, shall
7 be used in the current fiscal year for the payment of salary
8 or travel expenses of any person who has been convicted of
9 violating the Act entitled "An Act to prevent pernicious
10 political activities", approved August 2, 1939, as amended,
11 or who has been found in accordance with the provisions of
12 title 18, United States Code, section 1913, to have violated
13 or attempted to violate such section which prohibits the
14 use of Federal appropriations for the payment of personal
15 services or other expenses designed to influence in any man-
16 ner a Member of Congress to favor or oppose any legisla-
17 tion or appropriation by Congress except upon request of any
18 Member or through the proper official channels.

19 AGRICULTURAL MARKETING SERVICE

20 MARKETING RESEARCH AND SERVICE

21 For expenses necessary to carry on research and service
22 to improve and develop marketing and distribution relating
23 to agriculture as authorized by the Agricultural Marketing
24 Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-
25 ing the administration of marketing regulatory acts con-

1 nected therewith: *Provided*, That appropriations hereunder
2 shall be available pursuant to 5 U.S.C. 565a for the con-
3 struction, alteration, and repair of buildings and improve-
4 ments, but unless otherwise provided, the cost of erecting
5 any one building shall not exceed \$10,000, except for two
6 buildings to be constructed or improved at a cost not to exceed
7 \$20,000 each, and the cost of altering any one building dur-
8 ing the fiscal year shall not exceed \$3,750 or 3 per centum
9 of the cost of the building, whichever is greater:

10 Marketing research and agricultural estimates: For re-
11 search and development relating to agricultural marketing
12 and distribution, for analyses relating to farm prices, income
13 and population, and demand for farm products, and for crop
14 and livestock estimates, ~~\$15,044,500~~ \$15,514,100: *Pro-*
15 *vided*, That not less than \$350,000 of the funds contained in
16 this appropriation shall be available to continue to gather
17 statistics and conduct a special study on the price spread
18 between the farmer and the consumer: *Provided further*,
19 That no part of the funds herein appropriated shall be avail-
20 able for any expense incident to publishing estimates of apple
21 production for other than the commercial crop;

22 Marketing services: For services relating to agricultural
23 marketing and distribution, for carrying out regulatory acts
24 connected therewith, and for administration and coordina-
25 tion of payments to States, ~~\$24,862,600~~ \$26,306,600, includ

ing not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201 (a) to 201 (d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203 (j) of the Agricultural Marketing Act of 1946.

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204 (b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623 (b)), ~~\$1,160,000~~ \$1,195,000.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), \$110,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That, for additional payments to States in accordance with the National School Lunch Act for the purchase of food, \$43,657,248 shall be transferred to this appropriation from the funds available in the fiscal year 1959 under section 32 of the Act of August 24, 1935:

1 *Provided further, That \$43,657,248 shall be transferred to*
2 *this appropriation from funds available under section 32 of*
3 *the Act of August 24, 1935, for purchase and distribution*
4 *of agricultural commodities and other foods pursuant to sec-*
5 *tion 6 of the National School Lunch Act, such additional*
6 *funds to be used for the general purposes of section 32.*

7 FOREIGN AGRICULTURAL SERVICE

8 SALARIES AND EXPENSES

9 For necessary expenses for the Foreign Agricultural
10 Service, including carrying out title VI of the Agricultural
11 Act of 1954 (7 U.S.C. 1761-1768), and for enabling the
12 Secretary to coordinate and integrate activities of the Depart-
13 ment in connection with foreign agricultural work, including
14 not to exceed \$25,000 for representation allowances and
15 for expenses pursuant to section 8 of the Act approved
16 August 3, 1956 (7 U.S.C. 1766), \$3,518,300: *Pro-*
17 *vided, That not less than \$400,000 of the funds contained*
18 *in this appropriation shall be available to obtain statistics*
19 *and related facts on foreign production and full and complete*
20 *information on methods used by other countries to move*
21 *farm commodities in world trade on a competitive basis:*
22 *Provided further, That, in addition, not to exceed \$2,493,000*
23 *of the funds appropriated by section 32 of the Act of August*
24 *24, 1935, as amended (7 U.S.C. 612c), shall be merged*
25 *with this appropriation and shall be available for all expenses*

1 of the Foreign Agricultural Service in carrying out the pur-
 2 poses of said section 32: *Provided further*, That, in addition,
 3 not to exceed the equivalent of \$1,310,000 in foreign cur-
 4 rencies derived from sales under title I of the Agricultural
 5 Trade Development and Assistance Act of 1954, as amended,
 6 and made available to the Department of Agriculture, shall
 7 be available for expenses of the agricultural attaché service
 8 and for general operating expenses of the Foreign Agricul-
 9 tural Service in carrying out the purposes of section 104 (a)
 10 of that Act.

11 COMMODITY EXCHANGE AUTHORITY

12 SALARIES AND EXPENSES

13 For necessary expenses to carry into effect the provisions
 14 of the Commodity Exchange Act, as amended (7 U.S.C.
 15 1-17), ~~\$909,500~~ \$900,000.

SOIL BANK PROGRAM

17 CONSERVATION RESERVE

18 For necessary expenses to carry out a conservation re-
 19 serve program as authorized by subtitles B and C of the
 20 Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814),
 21 and to carry out liquidation activities for the acreage reserve
 22 program, ~~\$310,000,000~~ \$340,000,000: *Provided*, That not
 23 to exceed ~~\$18,000,000~~ \$18,900,000 shall be available for
 24 administrative expenses, of which not less than \$14,400,000
 25 may be transferred to the appropriation account "Local ad-

1 ministration, section 388, Agricultural Adjustment Act of
2 1938": *Provided further*, That no part of this appropriation
3 shall be used to enter into contracts with producers which,
4 together with contracts already entered into, would require
5 payments to producers (including the cost of materials and
6 services) in excess of ~~\$325,000,000~~ \$450,000,000 in any
7 calendar year, and for purposes of applying this limitation,
8 practice payments shall be chargeable to the first year of
9 the contract period: *Provided further*, That no part of
10 these funds shall be used to enter into contracts to pay
11 rental compensation to any individual or corporation
12 in excess of ~~\$3,000~~ \$5,000 per annum: *Provided further*,
13 That no part of these funds shall be paid on any
14 contract which is illegal under the law due to the
15 division of lands for the purpose of evading limits on
16 annual payments to participants: *Provided further*, That
17 clause (2) of the fourth proviso relating to annual rental
18 payments under this head in Public Law 85-459 shall not
19 be applicable to contracts hereafter entered into: *Provided*
20 *further*, That no part of these funds may be used to enter
21 into contracts for a period in excess of five years or to pay
22 annual rentals in excess of a fair rental value of land placed
23 under contract, such fair rental value to be based on the ac-
24 tual production diverted each year.

COMMODITY STABILIZATION SERVICE

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393), \$39,135,000, of which not more than \$6,886,300 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$71,500,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed \$2,297,426.

FEDERAL CROP INSURANCE CORPORATION

OPERATING AND ADMINISTRATIVE EXPENSES

For operating and administrative expenses, \$6,376,700.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, as follows: Rural electrification program, \$136,000,000; and rural telephone program, \$79,000,000; and additional amounts, not to exceed \$25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000.

FARMERS' HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones

1 Farm Tenant Act, as amended (7 U.S.C. 1000-1031);
 2 the Farmers' Home Administration Act of 1946 (7 U.S.C.
 3 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code
 4 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40
 5 U.S.C. 436-439); the Act of August 28, 1937, as amended
 6 (16 U.S.C. 590r-590x-3), for the development of facili-
 7 ties for water storage and utilization in the arid and semiarid
 8 areas of the United States; the provisions of title V of the
 9 Housing Act of 1949, as amended (42 U.S.C. 1471-1483),
 10 relating to financial assistance for farm housing; the Rural
 11 Rehabilitation Corporation Trust Liquidation Act, approved
 12 May 3, 1950 (40 U.S.C. 440-444); the items "Loans to
 13 farmers, 1948 flood damage" in the Act of June 25, 1948
 14 (62 Stat. 1038), and "Loans to farmers, property damage"
 15 in the Act of May 24, 1949 (63 Stat. 82); the collecting
 16 and servicing of credit sales and development accounts in
 17 water conservation and utilization projects (53 Stat. 685,
 18 719), as amended and supplemented (16 U.S.C. 590y, z-1
 19 and z-10); and the Act to direct the Secretary of Agri-
 20 culture to convey certain mineral interests, approved Sep-
 21 tember 6, 1950 (7 U.S.C. 1033-1039), as follows:

22 LOAN AUTHORIZATIONS

23 For loans (including payments in lieu of taxes and taxes
 24 under section 50 of the Bankhead-Jones Farm Tenant Act,

1 as amended, and advances incident to the acquisition and
2 preservation of security of obligations under the foregoing
3 several authorities, except that such advances under title V
4 of the Housing Act of 1949, as amended, shall be made
5 from funds obtained under section 511 of that Act, as
6 amended) : Title I and section 43 of title IV of the Bank-
7 head-Jones Farm Tenant Act, as amended, \$24,000,000,
8 of which not to exceed \$2,500,000 may be distributed to
9 States and Territories without regard to farm population and
10 prevalence of tenancy, in addition to the amount otherwise
11 distributed thereto, for loans in reclamation projects and to
12 entrymen on unpatented public lands; title II of the Bank-
13 head-Jones Farm Tenant Act, as amended, \$180,000,000;
14 the Act of August 28, 1937, as amended, \$2,000,000: *Pro-*
15 *vided*, That not to exceed the foregoing several amounts
16 shall be borrowed in one account from the Secretary of the
17 Treasury in accordance with the provisions set forth under
18 this head in the Department of Agriculture Appropriation
19 Act, 1952: *Provided further*, That an additional amount, not
20 to exceed \$20,000,000, may be borrowed under the same
21 terms and conditions to the extent that such amount is
22 required during fiscal year 1960 under the then existing
23 conditions for the expeditious and orderly conduct of the
24 loan programs under the Bankhead-Jones Farm Tenant Act,

1 as amended, not to exceed \$5,000,000 of which shall be
2 available for loans under title I and section 43 of title IV
3 of such Act, as amended.

4 SALARIES AND EXPENSES

5 For making, servicing, and collecting loans and insured
6 mortgages, the servicing and collecting of loans made under
7 prior authority, the liquidation of assets transferred to Farm-
8 ers' Home Administration, and other administrative ex-
9 penses, ~~\$30,300,000~~ \$31,189,500, together with a transfer
10 of not to exceed \$1,000,000 of the fees and administrative
11 expense charges made available by subsections (d) and (e)
12 of section 12 of the Bankhead-Jones Farm Tenant Act, as
13 amended (7 U.S.C. 1005 (b)), and section 10 (c) of the
14 Act of August 28, 1937, as amended.

15 OFFICE OF THE GENERAL COUNSEL

16 SALARIES AND EXPENSES

17 For necessary expenses, including payment of fees or
18 dues for the use of law libraries by attorneys in the field
19 service, ~~\$3,115,300~~ \$3,208,750.

20 OFFICE OF THE SECRETARY

21 SALARIES AND EXPENSES

22 For expenses of the Office of the Secretary of Agricul-
23 ture; expenses of the National Agricultural Advisory Com-
24 mission; stationery, supplies, materials, and equipment;
25 freight, express, and drayage charges; advertising of bids,

1 communication service, postage, washing towels, repairs and
2 alterations, and other miscellaneous supplies and expenses
3 not otherwise provided for and necessary for the practical
4 and efficient work of the Department of Agriculture,
5 \$2,881,000: *Provided*, That this appropriation shall be re-
6 imbursed from applicable appropriations for travel expenses
7 incident to the holding of hearings as required by the Ad-
8 ministrative Procedure Act (5 U.S.C. 1001).

9 OFFICE OF INFORMATION

10 SALARIES AND EXPENSES

11 For necessary expenses of the Office of Information for
12 the dissemination of agricultural information and the co-
13 ordination of informational work and programs authorized by
14 Congress in the Department, \$1,431,665, of which total
15 appropriation not to exceed \$537,000 may be used for
16 farmers' bulletins, which shall be adapted to the interests
17 of the people of the different sections of the country, an
18 equal proportion of four-fifths of which shall be delivered
19 to or sent out under the addressed franks furnished by the
20 Senators, Representatives, and Delegates in Congress, as
21 they shall direct (7 U.S.C. 417) and not less than two
22 hundred and thirty-three thousand and fifty copies for the
23 use of the Senate and House of Representatives of part 2
24 of the annual report of the Secretary (known as the Year-
25 book of Agriculture) as authorized by section 73 of the

1 Act of January 12, 1895 (44 U.S.C. 241) : *Provided*, That
2 in the preparation of motion pictures or exhibits by the
3 Department, not exceeding a total of \$10,000 may be used
4 for employment pursuant to the second sentence of section
5 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
6 amended by section 15 of the Act of August 2, 1946 (5
7 U.S.C. 55a).

8 LIBRARY

9 SALARIES AND EXPENSES

10 For necessary expenses, including dues for library mem-
11 bership in societies or associations which issue publications
12 to members only or at a price to members lower than to
13 subscribers who are not members, \$900,000.

14 TITLE II—CORPORATIONS

15 The following corporations and agencies are hereby
16 authorized to make such expenditures, within the limits of
17 funds and borrowing authority available to each such corpo-
18 ration or agency and in accord with law, and to make such
19 contracts and commitments without regard to fiscal year
20 limitations as provided by section 104 of the Government
21 Corporation Control Act, as amended, as may be necessary
22 in carrying out the programs set forth in the budget for the
23 fiscal year 1960 for such corporation or agency, except as
24 hereinafter provided:

1 FEDERAL CROP INSURANCE CORPORATION FUND

2 Not to exceed \$2,330,000 of administrative and operat-
3 ing expenses may be paid from premium income.

4 COMMODITY CREDIT CORPORATION

5 RESTORATION OF CAPITAL IMPAIRMENT

6 To restore the capital impairment of the Commodity
7 Credit Corporation determined by the appraisal of June 30,
8 1958, pursuant to section 1 of the Act of March 8, 1938,
9 as amended (15 U.S.C. 713a-1), \$1,435,424,413.

10 LIMITATION ON ADMINISTRATIVE EXPENSES

11 Nothing in this Act shall be so construed as to prevent
12 the Commodity Credit Corporation from carrying out any
13 activity or any program authorized by law: *Provided*, That
14 not to exceed ~~\$39,600,000~~ \$42,771,000 shall be available for
15 administrative expenses of the Corporation: *Provided further*,
16 That \$1,000,000 of this authorization shall be available only
17 to expand and strengthen the sales program of the
18 Corporation pursuant to authority contained in the
19 Corporation's charter: *Provided further*, That not less than
20 7 per centum of this authorization shall be placed in reserve
21 to be apportioned pursuant to section 3679 of the Revised
22 Statutes, as amended, for use only in such amounts and at
23 such time as may become necessary to carry out program
24 operations: *Provided further*, That all necessary expenses

1 (including legal and special services performed on a contract
2 or fee basis, but not including other personal services) in
3 connection with the acquisition, operation, maintenance,
4 improvement, or disposition of any real or personal property
5 belonging to the Corporation or in which it has an interest,
6 including expenses of collections of pledged collateral, shall
7 be considered as nonadministrative expenses for the purposes
8 hereof: ~~Provided further, That no funds appropriated in this~~
9 ~~section shall be used to process a Commodity Credit loan~~
10 ~~which is in excess of \$50,000: Provided further, (1) That no~~
11 ~~part of this authorization shall be used to formulate or carry~~
12 ~~out a price support program for 1960 under which a total~~
13 ~~amount of price support in excess of \$50,000 would be ex-~~
14 ~~tended through loans, purchases, or purchase agreements~~
15 ~~made or made available by Commodity Credit Corporation~~
16 ~~to any person on the 1960 production of all agricultural com-~~
17 ~~modities, (2) That the term "person" shall mean an indi-~~
18 ~~vidual, partnership, firm, joint-stock company, corporation,~~
19 ~~association, trust, estate, or other legal entity, or a State,~~
20 ~~political subdivision of a State, or any agency thereof, (3)~~
21 ~~That in the case of any loan to, or purchase from, a coopera-~~
22 ~~tive marketing organization, such limitation shall not apply~~
23 ~~to the amount of price support received by the cooperative~~
24 ~~marketing organization, but the amount of price support~~
25 ~~made available to any person through such cooperative mar-~~

1 *keting organization shall be included in determining the*
 2 *amount of price support received by such person for purposes*
 3 *of such limitation, and (4) That the Secretary of Agriculture*
 4 *shall issue regulations prescribing such rules as he determines*
 5 *necessary to prevent the evasion of such limitation.*

6 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
 7 FOR COSTS OF SPECIAL ACTIVITIES

8 To reimburse the Commodity Credit Corporation for
 9 authorized unrecovered costs through June 30, 1959 (in-
 10 cluding interest through date of recovery), as follows: (1)
 11 \$63,875,000 under the International Wheat Agreement Act
 12 of 1949, as amended (7 U.S.C. 1641-1642); (2) \$104,-
 13 508,000 for commodities disposed of for emergency famine
 14 relief to friendly peoples pursuant to title II of the Act of
 15 July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724);
 16 (3) \$968,016,000 for the sale of surplus agricultural com-
 17 modities for foreign currencies pursuant to title I of the Act
 18 of July 10, 1954, as amended (7 U.S.C. 1701-1709); (4)
 19 \$35,000 for grain made available to the Secretary of the
 20 Interior to prevent crop damage by migratory waterfowl
 21 pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446);
 22 (5) \$129,000,000 for strategic and other materials acquired
 23 by the Commodity Credit Corporation as a result of barter
 24 or exchange of agricultural commodities or products and
 25 transferred to the supplemental stockpile pursuant to Public

1 Law 540, Eighty-fourth Congress (7 U.S.C. 1856) ; (6)
2 \$1,056,500 for transfers to the appropriation "Diseases of
3 animals and poultry" pursuant to authority contained under
4 such head in the Department of Agriculture and Farm Credit
5 Administration Appropriation Act, 1959; and (7) \$1,607,-
6 000 for transfers to the appropriation "Marketing research
7 and service" pursuant to the Act of August 31, 1951 (7
8 U.S.C. 414a), for grading tobacco and classing cotton with-
9 out charge to producers, as authorized by law (7 U.S.C.
10 473a, 511d).

11 TITLE III—RELATED AGENCIES

12 FARM CREDIT ADMINISTRATION

13 Not to exceed \$2,125,000 (from assessments collected
14 from farm credit agencies) shall be obligated during the
15 current fiscal year for administrative expenses.

16 FEDERAL FARM MORTGAGE CORPORATION

17 The Federal Farm Mortgage Corporation is authorized
18 to make such expenditures, within available funds and in
19 accordance with law, as may be necessary to liquidate its
20 assets: *Provided*, That funds realized from the liquidation
21 of assets which are determined by the Board of Directors
22 to be in excess of the requirements for expenses of liquida-
23 tion shall be declared as dividends which shall be paid into
24 the general fund of the Treasury.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and twenty-five passenger motor vehicles, of which four hundred and twenty-three shall be for replacement only, and for the hire of such vehicles.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 403. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 404. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 405. Except to provide materials required in or

1 incident to research or experimental work where no suitable
2 domestic product is available, no part of the funds appro-
3 priated by this Act shall be expended in the purchase of
4 twine manufactured from commodities or materials produced
5 outside of the United States.

6 SEC. 406. Not less *more* than \$1,500,000 of the appro-
7 priations of the Department for research and service work au-
8 thorized by the Acts of August 14, 1946, July 28, 1954, and
9 September 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat.
10 1793), shall be available for contracting ~~or grants~~ in accord-
11 ance with said Acts.

12 SEC. 407. No part of any appropriation contained in this
13 Act or of the funds available for expenditure by any cor-
14 poration or agency included in this Act shall be used for
15 publicity or propaganda purposes to support or defeat legis-
16 lation pending before the Congress.

17 This Act may be cited as the "Department of Agricul-
18 ture and Farm Credit Administration Appropriation Act,
19 1960".

Passed the House of Representatives May 20, 1959.

Attest:

RALPH R. ROBERTS,

Clerk.

86TH CONGRESS
1ST SESSION

H. R. 7175

[Report No. 330]

AN ACT

Making appropriations for the Department of
Agriculture and Farm Credit Administra-
tion for the fiscal year ending June 30, 1960,
and for other purposes.

MAY 21, 1959

Read twice and referred to the Committee on
Appropriations

MAY 28, 1959

Reported with amendments

Kansas [Mr. SCHOEPEL] are necessarily absent.

The Senator from Kansas [Mr. CARLSON], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. HRUSKA], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kansas [Mr. SCHOEPEL] would each vote "yea."

The result was announced—yeas 53, nays 3, as follows:

YEAS—53

Allott	Gruening	Martin
Anderson	Hart	Monroney
Beall	Hartke	Morton
Bible	Hayden	Muskie
Bush	Hickenlooper	Neuberger
Butler	Holland	Prouty
Cannon	Humphrey	Proxmire
Capehart	Javits	Robertson
Carroll	Johnson, Tex.	Scott
Case, N.J.	Keating	Smathers
Chavez	Kefauver	Smith
Church	Kuchel	Sparkman
Clark	Langer	Stennis
Cooper	Lausche	Thurmond
Dirksen	McGee	Williams, Del.
Dworshak	McNamara	Williams, N.J.
Eastland	Magnuson	Yarborough
Frear	Mansfield	

NAYS—3

Bennett	Curtis	Morse
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NOT VOTING—42

Aiken	Goldwater	Moss
Bartlett	Gore	Mundt
Bridges	Green	Murray
Byrd, Va.	Hennings	O'Mahoney
Byrd, W. Va.	Hill	Pastore
Carlson	Hruska	Randolph
Case, S. Dak.	Jackson	Russell
Cotton	Johnston, S.C.	Saltonstall
Dodd	Jordan	Schoeppel
Douglas	Kennedy	Symington
Ellender	Kerr	Talmadge
Engle	Long	Wiley
Ervin	McCarthy	Young, N. Dak.
Fulbright	McClellan	Young, Ohio

So the bill (H.R. 5805) was passed.

Mr. ROBERTSON. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer [Mr. HARTKE in the chair] appointed Mr. ROBERTSON, Mr. BIBLE, Mr. CHAVEZ, Mr. HAYDEN, Mr. MONRONEY, Mr. JOHNSTON of South Carolina, Mr. HRUSKA, Mr. BRIDGES, and Mr. KUCHEL conferees on the part of the Senate.

Mr. ROBERTSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Virginia to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask the Chair to announce the result of the vote, because I could not hear it when it was announced.

The PRESIDING OFFICER. The vote on passage of the bill was 53 yeas and 3 nays. The bill was passed by that margin.

Mr. JOHNSON of Texas. Mr. President, I wish to express my appreciation and the appreciation of the Senate to the distinguished chairman of the subcommittee, the Senator from Virginia [Mr. ROBERTSON], who has piloted this measure through the Senate. Usually each year this bill is the first appropriation bill passed by the Senate. It is always carefully considered. Generally speaking, the taxpayers always are kept in mind, and reductions are made in the budget estimates.

The Senator from Virginia has been diligent, effective and able. I express to him the appreciation of the leadership of the entire Senate.

I also want to express gratitude to the distinguished chairman of the full Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], than whom there is no more able or better public servant.

As a result of the efforts of the Senator from Arizona and the Senator from Virginia, this bill will go to conference tonight with the approval of all but three of the Members of the Senate. I trust that the conferees will be able promptly to reach an agreement, and that we can send the measure to the White House.

Mr. President—

The PRESIDING OFFICER. The Senator from Texas.

LEGISLATIVE AND EXECUTIVE PROGRAMS

Mr. JOHNSON of Texas. Mr. President, on Monday we expect to have before the Senate the Agriculture Department appropriation bill. We trust that we may be able to get action on that bill by Tuesday.

On Wednesday we expect to take up the nomination of Mr. Dillon and the nomination of Mr. Reid, to be followed by the nomination of Mr. Strauss.

Mr. KUCHEL. Mr. President, will my friend from Texas yield?

Mr. JOHNSON. I want all Members to be on notice that we expect to consider the Executive Calendar on Wednesday.

I yield to the acting minority leader.

Mr. KUCHEL. Does the able majority leader contemplate taking up the nomination of Mr. George M. Johnson to be a member of the Commission on Civil Rights at that time?

Mr. JOHNSON of Texas. We can take it up then, or now. It is a little late this evening to have a yeas and nays vote. I am prepared to take it up, if there is no objection.

If it is generally agreeable, the minority leader indicated he would like to have that nomination considered the same day as the others. We expect to take it up also on Wednesday.

Mr. KUCHEL. I thank my friend.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1960

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my able friend from Virginia, and I commend him for his wonderful work.

Mr. ROBERTSON. Mr. President, the junior Senator from Virginia wants to join with the majority leader in expressing appreciation for the fine work of the distinguished chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN]. The senior Senator from Arizona did not miss a hearing. The Senator was with us at every session on the mark-up of the bill, both in the subcommittee and in the full committee.

On his behalf, as well as on behalf of the junior Senator from Virginia, I express heartfelt appreciation for the gracious compliment the distinguished majority leader has paid us for the work we did in connection with the bill.

Mr. JOHNSON of Texas. The Senator from Texas knew the junior Senator from Virginia when he was a Member of the House. He remembers his efforts in the field of wildlife conservation.

I know of no more conscientious public servant nor any more diligent Senator.

Mr. ROBERTSON. I thank the Senator.

Mr. JOHNSON of Texas. I commend him and applaud him. The \$25 million which he has saved in the budget will pay his salary for many years to come, and I trust he will enjoy it.

LIMITATION OF PRICE SUPPORT PAYMENTS

Mr. STENNIS. Mr. President, this morning the Committee on Appropriations reported the agricultural appropriations bill with a provision limiting to \$50,000 the total amount of price support which an individual producer could receive on the 1960 production of all agricultural commodities. As Senators well know, a \$35,000 limitation was written into the wheat bill last week.

I should like to take a few moments to discuss price support limitations and to offer what I believe to be a much better approach that will be acceptable to the proponents of price support limitations while at the same time permitting our price support programs to function as effectively as possible under such a limitation.

The question of limiting the total amount of price support to which an individual farmer is eligible has many implications. I would be less than honest if I did not say frankly that I do not know what the effects of such a step would be. I doubt that anyone is competent at this point to predict what the ramifications of such action will be. We do not know, for example, how many bales of cotton would be ineligible for the loan under a price support limitation of \$50,000, nor do we know what effect this ineligible cotton would have on mar-

ket prices and farm income. We do not know what effect price support limitations will have on CCC costs and record-keeping required of farmers. We do not know what is involved in administering or obtaining compliance with a price support limitation.

Be that as it may, both the Senate and the other body have voted to limit the amount of price support an individual farmer can receive. I wish to make it clear that I personally am opposed to such a step, but if there must be such a limitation, then let us have one that is as fair and equitable as we can possibly make it. Let us have one that will preserve as best it can, the advantages of the current price-support program.

Therefore, I offer the following recommendation for the consideration of the Senate: Simply require the producer to repay all loans in excess of \$50,000 at the end of the marketing year. To illustrate, take cotton as an example. Under this proposal, a producer would be permitted to use the loan for orderly marketing during the crop year. At the end of the marketing year, however, when the Commodity Credit Corporation took over any unredeemed loan cotton, no one farmer would be permitted to have more than \$50,000 worth of cotton acquired by CCC. I sincerely believe that this is really the objective that the proponents of limitations are seeking to accomplish.

The advantages of such a proposal are obvious. First and foremost is the fact that the orderly marketing feature of the current price-support program would be maintained. While I must concede that its effectiveness would be greatly diminished, it would, nevertheless, be retained to the maximum extent permitted by a price-support limitation.

This would help considerably in relieving the market from having to absorb the volume of the affected commodity ineligible for price support. Therefore the most disastrous effects of this limitation on market prices and the income of the small farmer would be alleviated to some extent.

I urge that the Senators consider this proposition carefully. I have prepared an amendment to this effect and submit it now for study and consideration. I am convinced that it is a much fairer and a much less dangerous way to handle a price support limitation without destroying the orderly marketing stabilities of the price-support program.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD at this point as a part of my remarks, and that it lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be printed and lie on the table, and will be printed in the RECORD as requested.

The amendment was ordered to be printed and lie on the table, and to be printed in the RECORD, as follows:

At the end of item (1) of the last proviso in the item "Limitation on Administrative Expenses, Commodity Credit Corporation", insert the following: "without providing (notwithstanding Section 405 of the Agricultural Act of 1949 as amended) for the full repayment of all amounts advanced in excess of \$50,000 plus interest thereon in any marketing year."

EXCESSIVE SECRECY IN CONNECTION WITH THE MUTUAL SECURITY PROGRAM

Mr. CHURCH. Mr. President, I submit three amendments to S. 1451, the proposed Mutual Security Act of 1959, and ask that they be printed and appropriately referred. I also ask unanimous consent that the amendments be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The amendments will be received and referred to the Committee on Foreign Relations; and, without objection, they may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. CHURCH. Mr. President, these amendments deal with the problem of the excessive secrecy that now cloaks the mutual security program and with the question of our expanding military assistance program in Latin America.

The first amendment directs the President to "make public all information concerning the mutual security program not deemed by him to be incompatible with the security of the United States; provided, that the security of the United States may not be deemed to require the withholding of information about past assistance under the program in one recipient country on account of the sensitivity of another recipient country."

I believe it is clear from the wording of this amendment that it does not deal with the classification of information on pending or future plans for military or economic assistance. Nor does the amendment in anyway interfere with the President's right to classify and withhold information when the legitimate security interests of the country require this to be done. It simply prohibits the Executive from equating administrative convenience with genuine national security.

In Latin America, for example, we have been told by spokesmen from the State Department that the publication of the dollar value of our military assistance to individual countries there would cause "swirls of discontent" among those countries. It has been urged upon us that if one country found out how much military assistance another country was getting, the knowledge would arouse jealousy and cause pressure on the United States to increase its aid.

Frankly, our classification of the information notwithstanding, I believe it is naive to think that these countries are so blind to the facts of life, and so inept in the ordinary processes of intelligence, that they do not have a pretty good idea how much aid we are giving their neighbors from year to year.

But, laying this question aside, I have the strongest possible conviction that the denial of information for the purpose of administrative convenience, when the real security interests of the country do not require it, is an affront to the whole philosophy of a free society.

I believe very strongly that a free society must not and cannot long tolerate the subordination of the people's right to know to the desire of bureaucracy to avoid embarrassment or harass-

ment. Concealment of information also covers up bad judgment, incompetence, and corruption. The mutual security program needs to be brought out into the open, wherever the real security interest of the country permit. The purpose of this amendment is to put an end to unnecessary classification of information about the mutual security program, which suits the convenience of the administrators, but is not required by the real security needs of the country.

My second amendment is intended to prevent a further expansion of our military assistance program in Latin America. For several years it has been the stated position of the administration to encourage the reduction of the military establishments in the countries of Central and South America. Yet, our military assistance program to Latin American countries has been steadily growing. If the administration's request in this year's bill is granted by the Congress, our military assistance program in this area will have been tripled in 3 years. There is every reason to believe that such an expansion in military assistance is not only unnecessary to the defense of the United States, but that it is unpopular with the people of Latin America and has done much to court their disfavor.

Therefore, the purpose of this amendment is to prevent a further increase, during the coming year, in our military assistance program in Latin America. The amendment would effect a reduction of \$29.5 million from the administration's request for \$96.5 million. This would leave the sum of \$67 million, which is the present level of spending during the current year for military assistance in Latin America. This sum should be fully adequate for such military missions in the area as may be directly related to the legitimate needs of hemispheric defense.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MORSE. The Senator from Idaho knows that I am in complete agreement with him in the position he takes with respect to military aid to Latin America. I am in complete agreement with the amendments he now submits. I have already submitted two amendments which seek a similar objective to that of the Senator from Idaho.

All I wish to say in support of what the Senator from Idaho has said is that, in my judgment, all of us on the Latin American Affairs Subcommittee of the Committee on Foreign Relations, of which it is my honor to be chairman, and in connection with which it is my privilege to have the Senator from Idaho as one of my colleagues on the subcommittee, are greatly indebted to the Senator from Idaho for the support he is giving to us in seeking to bring to an end at an early date what I am satisfied is one of the major causes of bad United States-Latin American relations, namely, American military aid, which in too many instances has only served the purpose of strengthening the position of dictators in Latin America. It has created a great deal of ill-feeling because, as a

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued June 2, 1959
For actions of June 1, 1959
86th-1st, No. 88

Accounting.....	20		
ACP.....	1		
Administrative orders....	13		
Agricultural			
appropriations.....	1		
Agricultural attaches....	4		
Air pollution.....	36		
Alaska.....	15		
Allotments and quotas....	1		
Appropriations....	1,8,18,55		
Audit report.....	3		
Budgeting.....	6,43	Foreign aid.....	14
Buildings.....	53	Forestry.....	7,16
CCC.....	3	Housing.....	23
Census.....	31	Information.....	1
Conservation.....	37	Interest rates.....	22
Contracts.....	42,54	Labeling.....	45
Economic activity.....	49	Labor standards.....	28
Education.....	7	Library services.....	27
Egg prices.....	9,25	Loans.....	25
Electrification.....	29	Minerals.....	46,50
Farm program.....	24,28	Personal.....	20,40
Fats and oils.....	47	Pesticide chemicals.....	45
Food additives.....	10	Price supports.....	1
Food costs.....	26	Property.....	19
Food prices.....	32	Public debt.....	39,43
		Reclamation.....	12
		Recreation.....	33
		Reorganization.....	17,41
		Research.....	38
		Retirement.....	40
		Roads.....	48
		School lunch.....	3,51
		Small business.....	25
		Statehood.....	35
		Surplus commodities.....	44
		Surplus disposal.....	28
		Water resources.....	5,11,21,33
		Watersheds.....	34
		Wheat.....	2,30,52
		Wildlife.....	37,38

HIGHLIGHTS: Senate debated agricultural appropriation bill. Senate received from President 1959 International Wheat Agreement. Both Houses received GAO audit report of CCC. Rep. McGovern introduced and discussed bill to transfer to HEW responsibility for distribution of surplus food to needy.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1960. Began debate on this bill, H. R. 7175 (pp. 8481-8503, 8508-09). Agreed to the committee amendments en bloc for the purposes of possible further amendments (pp. 8481-2). Pending at adjournment was an amendment by Sen. Williams, Del., to reduce the advance authorization for the 1960 ACP program from \$250 million to \$100 million (p. 8485).

Sen. Williams, Del., gave notice of a motion to suspend the rules and offer an amendment to limit price-support loans and purchases to \$35,000 (p. 8453). Sen. Douglas submitted amendments which he intends to propose to reduce the allotments and quotas item from \$39,135,000 to \$23,135,000, and to reduce Office of Information from \$1,431,665 to \$1,269,665, and to prohibit price supports

for any crop planted after Jan. 1, 1960, for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to Sec. 401 (c) of the Agricultural Act of 1949, as amended (p. 8452). Sens. Cooper and O'Mahoney submitted amendments (not set forth in the Record) which they intend to propose (p. 8452).

2. WHEAT. Received from the President the 1959 International Wheat Agreement and a report of the State Department regarding the agreement; to Foreign Relations Committee. p. 8447
3. CCC. Both Houses received from GAO an audit report on the Commodity Credit Corporation for 1958 (H. Doc. 163); to Government Operations Committees. pp. 8449, 8552
4. AGRICULTURAL ATTACHES. Received from this Department a proposed bill authorizing the detail of agricultural attaches to duties in the U. S. without reduction in grade; to Agriculture and Forestry Committee. p. 8448
5. WATER RESOURCES. Agreed to without amendment S. Res. 121, appointing Sen. Murray an ex officio member of the Select Committee on National Water Resources. p. 8481
6. BUDGETING. Sen. Butler inserted an article, "The Bureau of the Budget and Defense Fiscal Policy." pp. 8465-8
Sen. Humphrey inserted an article, "How Britain Balances Budget," and stated that the article "points out that if the United States used a capital budget such as Great Britain does, the Federal Government would show a surplus of at least \$3 billion for fiscal 1960, rather than \$100 million, as forecast by President Eisenhower, under our present antiquated bookkeeping system." pp. 8512-3
7. EDUCATION; FORESTRY. Sen. Neuberger inserted letters from school officials in Ore., indicating the results of the proposed reduction in Federal school aid to impacted school districts, including those with forestry-connected pupils. pp. 8456-8
Sen. Byrd, W. Va., urged an expanded program for the national forests, including the employment of young men for work on forest conservation measures. pp. 8472-4
8. SCHOOL LUNCH; APPROPRIATIONS. Sen. Langer inserted a telegram from the director of the N. Dak. State Lunch Program, with regard to an item in the agricultural appropriation bill for the school lunch program, urging that "the \$43 million to be transferred from section 32 either be used as cash reimbursement to be given clear mandate to usedtransferred funds to purchased section 6 food early in the year." p. 8451
9. EGG PRICES. Sen. Langer inserted a letter criticizing the mark up in the price of eggs at the retail level. p. 8451
10. COLOR. ADDITIVES. Both Houses received from HEW a proposed bill "to protect the public health by amending the Federal Food, Drug, and Costmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be sagely used"; to H. Interstate and Foreign Commerce and S. Labor and Public Welfare Committees. pp. 8449, 8552

from New Mexico [Mr. CHAVEZ], and I will join him in urging approval of such a resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

APPOINTMENT OF CHAIRMAN OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS AS EX OFFICIO MEMBER OF SELECT COMMITTEE ON NATIONAL WATER RESOURCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, the agriculture appropriation bill, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 297, Senate Resolution 121.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 121) appointing the chairman of the Committee on Interior and Insular Affairs [Mr. MURRAY] as an ex officio member of the Select Committee on National Water Resources.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 121) was considered and agreed to, as follows:

Resolved, That the Senator from Montana, Mr. MURRAY, chairman of the Senate Committee on Interior and Insular Affairs, is hereby appointed a member ex officio to the Select Committee on National Water Resources.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. RUSSELL. Mr. President, the Senate now has under consideration H.R. 7175, which is the annual supply bill for the Department of Agriculture. I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be considered as original text for the purpose of amendment; and that no points of order be waived.

The PRESIDING OFFICER. Is there objection?

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. I had planned to offer an amendment to one of the committee amendments. I think perhaps it might be preferable if I were to offer that amendment now. It is merely a change in the amount of an appropriation. In-

asmuch as the Senator from Georgia has asked for the approval of all committee amendments, perhaps this exception should be noted.

Mr. RUSSELL. The distinguished Senator from Wyoming would in no wise be precluded from offering any amendment he might desire to offer, because I requested that the bill as amended be considered as original text for the purpose of amendment. If the bill as proposed to be amended by the committee is considered original text, it will be open to any amendment which any Senator may desire to offer.

The procedure I have suggested is merely to clarify the bill and to simplify issues which might have been involved before the Senate if the request had not been made. It in no wise prejudices the right of the distinguished Senator from Wyoming. I shall be happy to have the distinguished Senator recognized first when the bill is under consideration, so that he may offer his amendment.

Mr. O'MAHONEY. My amendment is on page 15, line 5, and is to strike out "\$26,306,600" and to insert in lieu thereof "\$26,557,515." This is an addition of \$250,915 and makes the appropriation harmonious with the request of the Department of Agriculture as contained in the President's budget. I will discuss the amendment at the appropriate time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia [Mr. RUSSELL]? The Chair hears none, and it is so ordered.

The amendments of the Committee on Appropriations agreed to en bloc are as follows:

Under the heading Department of Agriculture—Title I—Regular Activities—Agricultural Research Service—Salaries and Expenses", on page 3, line 7, after the word "stations", to strike out "\$63,961,590" and insert "\$70,479,390", and in line 15, after the word "exceed", to strike out "\$739,000" and insert "\$3,815,000".

On page 4, at the beginning of line 1, to strike out "\$48,340,600" and insert "\$51,050,600".

On page 4, line 9, after the word "butter", to strike out "\$21,135,100" and insert "\$21,324,900".

Under the subhead "Watershed Protection", on page 9, line 13, after the word "expended", to strike out "\$25,500,000" and insert "\$20,000,000".

Under the subhead "Flood Prevention", on page 10, line 7, after the word "expended", to strike out "\$18,000,000" and insert "\$15,000,000".

Under the subhead "Great Plains Conservation Program", on page 11, line 6, after "(16 U.S.C. 590p)", to strike out "\$7,500,000" and insert "\$10,000,000".

Under the subhead "Agricultural Conservation Program", on page 12, line 23, after the word "in", to strike out "either the 1957 or the 1958 programs" and insert "in the 1959 program", and on page 13, line 1, after the word "committee", to strike out the colon and "Provided further, That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year".

Under the subhead "Agricultural Marketing Service—Marketing Research and Service", on page 15, line 14, after the word "estimates", to strike out "\$15,044,500" and insert "\$15,514,100".

On page 15, line 25, after the word "States", to strike out "\$24,862,600" and insert "\$26,306,600".

Under the subhead "Payments to States, Territories, and Possessions", on page 16, line 14, after "(7 U.S.C. 1623(b))", to strike out "\$1,160,000" and insert "\$1,195,000".

Under the subhead "School Lunch Program", on page 16, line 21, after the word "Act", to strike out the colon and the following additional proviso:

"Provided further, That, for additional payments to States in accordance with the National School Lunch Act for the purchase of food, \$43,657,248 shall be transferred to this appropriation from the funds available in the fiscal year 1959 under section 32 of the Act of August 24, 1935", and in lieu thereof, to insert the following additional proviso:

"Provided further, That \$43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."

Under the subhead "Commodity Exchange Authority—Salaries and Expenses", on page 18, line 15, after "(7 U.S.C. 1-17a)", to strike out "\$909,500" and insert "\$900,000".

Under the subhead "Soil Bank Program—Conservation Reserve", on page 18, line 22, after the word "program", to strike out "\$310,000,000" and insert "\$340,000,000"; in line 23, after the word "exceed", to strike out "\$18,000,000" and insert "\$18,900,000"; on page 19, line 6, after the word "of", to strike out "\$325,000,000" and insert "\$450,000,000"; in line 12, after the word "of", to strike out "\$3,000" and insert "\$5,000", and in line 16, after the word "participants", to strike out the colon and the following additional provisos:

"Provided further, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85-459 shall not be applicable to contracts hereafter entered into: *Provided further*, That no part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year."

Under the subhead "Farmers' Home Administration—Salaries and Expenses", on page 24, line 9, after the word "expenses", to strike out "\$30,300,000" and insert "\$31,189,500".

Under the subhead "Office of the General Counsel—Salaries and Expenses", on page 24, line 19, after the word "service", to strike out "\$3,115,300" and insert "\$3,208,750".

Under the heading "Title II—Corporations—Commodity Credit Corporation—Limitation on Administrative Expenses", on page 27, line 14, after the word "exceed", to strike out "\$39,600,000" and insert "\$42,771,000", and on page 28, line 8, after the word "hereof", to strike out the colon and "Provided further, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000", and in lieu thereof, to insert a colon and "Provided further, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of all agricultural commodities, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of

price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

Under the heading "Title IV—General Provisions", on page 32, line 6, after the word "Not", to strike out "less" and insert "more".

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield so that I may suggest the absence of a quorum?

Mr. RUSSELL. If the leadership desires to have a quorum call, I am happy to yield for that purpose.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, I shall make a brief summation regarding the overall items of the bill. If any Member of the Senate desires to have any detailed information about any one of the hundreds of items covered by the bill, I shall undertake to obtain the information for him.

Mr. President, the bill, as reported to the Senate, provides for total appropriations of \$3,975,505,148; \$1,271,983,235 of that amount is for the regular activities of the Department. I may say that amount also includes the appropriations for the Soil Bank program.

The bill, as reported, provides \$1,435,424,413 for restoration of capital impairment of the Commodity Credit Corporation for the fiscal year 1958. The bill, as reported, provides \$1,268,097,500 to reimburse the Commodity Credit Corporation for special program costs as estimated, for the fiscal year 1959.

The bill, as reported to the Senate by the Appropriations Committee, calls for appropriations of \$837,825,202 less than the appropriations for 1959. The larger part of that decrease is due to the termination of the acreage reserve part of the Soil Bank program. That item alone in last year's bill was \$446,200,000. Likewise, there is a decrease in the amount which has been allowed by the committee to restore the capital of the Commodity Credit Corporation. In the bill as reported to the Senate, that item is \$393,600,000 less than the corresponding item in last year's bill.

Mr. President, for the regular activities of the Department, the bill provides appropriations of \$443,192,000 less than the appropriation for 1959; and the amount of the bill as reported by the committee is, in the case of the regular activities of the Department, \$5,859,715 less than the amount of the estimates, and \$36,339,650 more than the amount voted by the House of Representatives.

I should like to point out that \$30 million of the increase which the Sen-

ate committee recommends over the amount voted by the House of Representatives is to discharge the obligations of the Government under contracts entered into for the conservation reserve program. That sum is the best estimate we can obtain as to the necessary amount for the payment of contractual obligations for rental and practice payments.

The largest increase in the bill, as reported, other than in that item, is in the item for the Agricultural Research Service. Our committee has voted to increase the amount of that item to approximately \$6,222,500 over the amount allowed in 1959, so as to enable a large number of activities in the field of research to be carried on.

Mr. President, I should like to call one matter to the attention of the Senate. Not only does the bill carry an appropriation to meet the contracts which have been entered into by the Department with various landowners for the conservation reserve program for the calendar year 1959 and prior years, but the bill also authorizes the conservation reserve program for 1960; 1960 will be the last year a conservation reserve program can be in effect, unless the Congress passes a statute extending or reauthorizing a conservation reserve program.

The budget estimate submitted by the Department for the limitation on next year's conservation reserve program was \$375 million. The sum allowed by the House of Representatives, in fixing the standards for next year's program, was \$325 million. The Senate committee has recommended to the Senate that the program for next year's authorization be increased to the full amount authorized by law, or \$450 million.

Last year the Department requested that amount. As my colleagues will recall, an item of \$375 million was finally included in the appropriation bill.

Mr. YOUNG of North Dakota. Mr. President, at this point will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. Under the amount voted by the House of Representatives, only approximately 2 million additional acres would be permitted to go into the conservation reserve; is that correct?

Mr. RUSSELL. Under the amount voted by the House of Representatives, the Department estimates that 2,300,000 acres might be accepted into the conservation reserve.

Mr. YOUNG of North Dakota. Yes.

Will the Senator from Georgia agree with me that if there is to be only a small program, we would be better off with none at all, because only a small percentage of the applications could be accepted; and it would hardly be worthwhile to engage in an expensive program and stir up interest all over the Nation, but be able to place only approximately 2 million acres into the program.

Mr. RUSSELL. The Senator from North Dakota is well aware that last year there was a great deal of bitterness over the 1959 program because farmer A was able to get into the program, but farmer B was not.

Mr. YOUNG of North Dakota. Yes.

Mr. RUSSELL. Of course, under the figure recommended by the Senate committee, 8 million additional acres could be accepted into the program in the last year of its operation.

Mr. YOUNG of North Dakota. There have been some mistakes made in the operation of the program, and I believe some of the criticisms of it have been justified.

But I believe the Department, with the aid of the new regulations which are being put into effect, will correct the mistakes of the past; and I believe such mistakes will not again occur.

Mr. RUSSELL. I certainly hope and trust that will be the case.

The Senator from North Dakota is aware that the admonitions contained in the committee's report to the Department point out some of the more manifest mistakes in the program in the past, and demand that corrective action be taken in the administration of the program next year.

Mr. YOUNG of North Dakota. I may say I had not planned to vote for the continuation of this program and only will now because of certain changes that have been made. The State of North Dakota probably had a larger percentage of its land go into the program than did most other States. Both the North Dakota Farmers Union and the Farm Bureau in State convention have asked that the program be abolished, but I do not think that is the sentiment of the great majority of the people, if the program is changed as I understand it will be now.

Mr. RUSSELL. Mr. President, the Senator has correctly stated that it costs practically as much to administer the program which is recommended by the Senate committee as it does to administer the smaller program proposed by the House.

There was one other very significant change made by the Senate committee in authorizing next year's program. The House placed a restriction of 5 years in the bill as the period of time when a contract could run. The basic law provided a period of 15 years. But the longest period of which I have any personal knowledge that is now in effect is 10 years. We supported the 10-year limitation. In other words, it was the position of the committee that if we were to have any program at all, it should be as contemplated in the basic law which was passed by the Congress.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the distinguished Senator from Kentucky.

Mr. COOPER. I should first like to say to the chairman of the subcommittee that I am very pleased the committee has made revisions in the provisions of the House bill as they affect the conservation reserve program of the soil bank. The Senator will remember that I spoke to him about this matter and wrote to the committee giving my views. During discussion of the bill I expect to put into the RECORD a statement on the conservation reserve, or at least make some further comments on it.

Last fall I had occasion to make a study of this program. Before the Congress and the Department of Agriculture make any decision to abandon the conservation reserve program, I believe a further study of the possibilities of an extended and expanded program should be made. It is my judgment that this program, originally proposed by the Department of Agriculture, is the best one now available for solving the surplus problem. In addition to benefits of the program to farmers, the program can be beneficial to the Nation standing alone.

Last fall, when making a study of the program, I ascertained that if 60 to 75 million acres could be withdrawn from production, it was believed an expanded conservation reserve could go far toward solving the surplus problem. A few days ago I read an article, written by Dr. J. Carroll Bottum, of Purdue University, who said withdrawal of 50 million acres through the conservation reserve of the soil bank program might go far toward solving the farm problem of surplus production.

I believe the Department of Agriculture itself has been too timid about this program. Its program has taken only about 23 million acres out of production, and if the full amount is authorized for 1960, it will take some 31 million of our 400 million acres of cropland out of production.

I hope the committee, before it makes its recommendations next year, will go into the question further and will make a further study to ascertain whether productive cropland is being withdrawn, and with the idea that whole farms would be taken out of production in many cases. I think the conservation reserve, properly oriented, could be the program we are now looking for.

In my own State—and I found this to be true also of other States—there was not much interest in the conservation reserve program until last year. Now there is great interest in it, and many farmers are now participating. Besides the value of taking cropland out of production, the program has value in itself by providing conservation for future use, and in encouraging the planting of trees on land best suited for timber production.

I know of the Senator's interest in the subject, and of the committee's interest in it. I hope they will make a careful study of it before the time comes next year to make budget recommendations, and that the committee will give the benefit of its views on this question to the Department of Agriculture and to the Bureau of the Budget.

Mr. RUSSELL. I thank the distinguished Senator from Kentucky for his contribution to the record.

Mr. COOPER. Mr. President, I ask unanimous consent to have placed in the body of the RECORD at this point the following items:

First. A statement I made to the Honorable RICHARD B. RUSSELL, chairman of the Senate Subcommittee on Appropriations dealing with the Agricultural and Farm Credit Administration appropriation bill.

Second. A letter I have received from the Kentucky ASC Committee, composed of the Honorable Roy C. Gray, Flemingsburg, Ky., chairman; the Honorable William O. Gilreath, Pine Knot, Ky.; and the Honorable John O. Hill, Hopkinsville, Ky.

Third. Excerpts from three statements commenting on the economics of the conservation reserve.

Fourth. A brief statement of my own on the conservation reserve.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

MAY 26, 1959.

Hon. RICHARD B. RUSSELL,
Chairman, Subcommittee on Agriculture,
Senate Committee on Appropriations,
Washington, D.C.

DEAR SENATOR RUSSELL: I understand that the House Appropriations Committee imposed conditions in H.R. 7175 which could severely cripple the soil bank program for 1960.

I hope the Senate Committee on Appropriations will act to continue the conservation reserve as an effective farm program in 1960. In my opinion the soil bank as it began to work last year offers more hope as a constructive approach to the farm problem than anything tried in recent years. I believe the conservation reserve ought to be expanded, and that the new direction given the program this year—in putting whole farms to conservation use—could result in substantial gains in preventing surplus production, could permit shifts toward more efficient use of resources, and could do so more economically than other programs while maintaining farm income.

In my own State, the conservation reserve is attracting more farmers each year. Last fall nearly twice as many Kentucky farmers applied for the soil bank as could be accepted with the funds available. I received many appeals from farmers who were greatly disappointed to discover that their applications could not be accepted. I advised these farmers to apply again this year. In addition, the growing popularity of the program may double the number of applicants over last year.

In sharp contrast to approving an expanded program, however, the Department of Agriculture recommended funds under which far fewer new acres could be signed up this year. The action of the House committee, if sustained, would further slash the new acreage to a fraction of that reduced figure. Under the House proposal, I estimate that perhaps 1 Kentucky farmer out of 20 who wishes to sign up in the soil bank could be accepted—a discouragingly bleak prospect.

I cannot agree with the House report that the conservation reserve has been ineffective. For example, of 11 million new acres on whole farms signed up last fall, 3.2 million were allotment acres. Yet these acres were retired from production at a very low rate compared either to the old acreage reserve, or to the price support differentials for underplanting which are again before the Congress. In addition, the old problem of increasing yields on the remaining farm acreage is at last reached by this solution.

In Kentucky, 96 percent of the acreage added to the soil bank last year was in whole farms. In the first 3 years, only about one-fifth of the acreage was in whole farms, and I think this fact alone has in effect made the conservation reserve a wholly new and much more constructive program. I should think those who favor reducing farm program costs, who favor less Government control, and who favor long-range conservation efforts would be attracted to an expanded conservation reserve program.

It seems to me that the House action, if allowed to stand, will cripple the soil bank program in at least four ways: First, the \$50 million reduction in authorization will cut acreage which can be accepted this fall not by 13 percent, but by 60 percent, because the reduction first cuts funds available for new contracts. The budget figure itself was \$75 million below the authorization in the Soil Bank Act, which, in the absence of the acreage reserve might well be increased if the program is expected to deal with the very sizable farm problem.

Second, the ceiling of \$3,000 for the combined annual rental and practice payments is far more drastic than the existing administrative ceiling of \$5,000 on the rental payment alone. It would sharply reduce the eligibility of whole farms. While I favor reasonable limitations on all farm programs, the present limit does not seem to me too high. If \$50,000 is an acceptable limit for price support on the production of any farm, \$5,000 does not seem excessive for removing an entire farm from production.

Third, limiting contracts to 5 years will largely eliminate the tree-planting program. This is the practice most needed in Kentucky, and one to which the conservation reserve is well suited. Finally, some of the House language would impose requirements difficult or impossible to administer, or under which farmers could not be expected to participate since they would not know what they would receive.

I very much hope that the conservation reserve may be continued on a constructive basis. And I would be glad to join with any Members who share my belief that an expanded conservation reserve offers real hope for a successful, long-range attack on the farm problem—and represents, furthermore, a program already underway and understood by farmers.

Sincerely,

JOHN SHERMAN COOPER.

Soil bank conservation reserve, Kentucky

	Kentucky	United States
1959 program:		
Number of applications for 1959 conservation reserve contracts.....	7,021	228,430
Number of contracts which can be completed for 1959 (estimate).....	3,700	155,000
Number of new acres offered, 1959.....	538,266	19,964,597
Number of new acres which can be accepted for 1959 (estimate).....	284,000	13,200,000
Proportion of whole farms, new contracts, 1959 (percent).....	93	82
Proportion of acreage in whole farms (percent).....	96	84
1960 program:		
Acreage, based on \$450,000,000 authorization in Soil Bank Act.....	186,000	8,300,000
Acreage goal, based on \$375,000,000 budget authorization.....	112,000	5,000,000
Acreage, based on \$325,000,000 House authorization.....	45,000	2,000,000

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION COMMITTEE,
Lexington, Ky., May 29, 1959.

Hon. JOHN SHERMAN COOPER,
U.S. Senate, Washington, D.C.

DEAR SENATOR COOPER: The State ASC Committee has read your letter to the Honorable RICHARD B. RUSSELL, chairman of the Subcommittee on Agriculture for Appropriations.

We wholeheartedly support you in your endeavor toward an expanded conservation reserve program. We feel that the conservation reserve program is an effective way

toward meeting the farm surplus problem, conserving natural resources and stabilizing the farm income. Whole farm units made up the greater proportion of farms participating in the 1959 conservation reserve program in this State. This should be an effective attack upon surplus agricultural commodities. On part farm units, the land that was not placed under the conservation reserve program would be farmed more intensively, and the overall production may be as large as before any acreage was placed under contract. Administrative costs of whole farm units should be one approach toward reducing costs of administering the farm programs. The \$3,000 ceiling for combined annual rental and practice payments would greatly reduce the whole farm participation. Five-year limitations of contracts would eliminate the tree planting practice for which there is a dire need in this State.

Only about one-half of the farmers who signed applications for 1959 conservation reserve contracts were able to participate in the program due to the limitation of funds. Our personnel did an effective job of explaining the provisions of the conservation reserve program to the farmers. When funds were not available to accept applications from all farmers who wanted to participate in the conservation reserve program, this had a discouraging effect upon our personnel and caused dissatisfaction among the farmers.

A number of farmers in our State will suffer a financial loss as they made preparation after signing the application to participate in the 1959 conservation reserve program. Livestock and farm equipment were sold and farmers made no plans in a number of instances to operate their farm during the coming year.

We had hoped that funds would be made available for the 1960 conservation reserve program that would allow these farmers to participate in the conservation reserve program. Based upon the interest in the conservation reserve program, we are of the opinion that Kentucky would be able to use its proportionate share of the \$450 million, as authorized in the Soil Bank Act if the funds were appropriated.

Your letter to Senator RUSSELL was well written and truly expressed the needs of Kentucky farmers for an enlarged conservation reserve program. The committee wholeheartedly concurs with you in your recommendations for an extended conservation reserve program.

We appreciate your efforts in behalf of farmers in this State on this and other matters.

Sincerely yours,

ROY C. GRAY,

Chairman, Kentucky ASC State Committee.

EXCERPTS

A paper by Dr. J. Carroll Bottum, Purdue University entitled "The Soil Bank as a Solution to the Farm Price and Income Problem," Joint Economic Committee print, 85th Congress, 1st session, states: "Since 1952 the U.S. agricultural plant has been geared to produce 4 to 6 percent more total agricultural products than the market would take at generally acceptable prices. * * * To make a voluntary soil bank work, payment must be large enough and administered so that they will shift from 30 to 50 million acres from grain crops, cotton, and tobacco to grasses, legumes, fallow, and trees. * * * Thus we might have a soil bank of 25 to 30 million acres and still not see any noticeable effect on aggregate production, but a further shift of 10 to 15 million acres out of the nonroughage crops might provide a significant adjustment in total agricultural output. To try to bring about an adjustment by taking out 15 to 20 million acres when a soil bank requires 30 to 50 million is like pushing a modern automobile to get it

started at 15 or 20 miles an hour when it takes 30 to do the job."

In its January 1956 statement, "Economic Policy for American Agriculture," the Committee for Economic Development stated: "The most effective means of assisting in production adjustments would be a program for renting or purchasing land to be withheld from cultivation. Such a program would have a number of advantages. It could get land removed from production entirely, except possibly from grazing or timber, and to that extent would help solve the surplus problem rather than push it around from one commodity to another. It would supplement farmers' incomes. Present programs benefit farmers only if they stay on the farm and produce. A land rental or purchase program, applied to whole farms, would, on the contrary, encourage and assist the farmers who want to shift to other occupations."

Mr. Lauren Soth of the Des Moines Register and Tribune presented a paper to the Joint Economic Committee, 85th Congress, 1st Session. Page 633 of the Joint Committee print contains the following statement: "The most recent application of the direct-payment method of supporting farm income is in the soil-bank program. The only action necessary to make this a real farm-income support program would be to increase the rate of payments. If Congress were to step up the soil-bank payments, it would be feasible to lower price supports still further without lowering the incomes of farm people."

"If general income-support payments were to be made, it would be more sensible to relate such payments to conservation of the Nation's soil resources. The general tax-paying public would then be paying individual landowners for performing a task in the public interest—keeping land out of use when it is not needed and preserving it for future generations. In the conservation reserve part of the present soil-bank program, farmers are paid relatively small amounts of money for putting land in permanent pasture, trees, or other long-range uses to conserve soil and water. This is the part of the program which could be readily expanded."

STATEMENT OF SENATOR COOPER

Everyone acquainted with agriculture knows that our farm surpluses are getting larger each year, despite efforts to increase consumption at home and to increase sales to foreign countries. Many experts who have studied the situation have concluded that the present productive capacity of our farms is about 5 to 10 percent greater than our ability to consume and export.

The only program now available that has any reasonable possibility of bringing about the needed adjustment in farm production is the conservation reserve. At this time the program has taken out of production some 23 million acres of cropland. The authorization in the pending bill would take out of production an additional 8 million acres. With continuation and expansion, the conservation reserve can be made into a real adjustment program that will get results toward a true solution of our surplus problem.

A reduction of this program will not save money. In fact it would leave the Public Treasury open to even greater cost in purchasing surpluses than would be incurred by an expanded conservation reserve, which will take cropland out of production.

I have looked into the matter of cost and find that to support the prices of the crops that would be normally produced on the 23 million acres now in the conservation re-

serve program would cost approximately twice as much as the payments under the conservation reserve. The costs for price support are losses, not original investment. So, every dollar we spend for the conservation reserve reduces price support program costs by \$2. That is a distinct saving—a saving of public funds and at the same time progress toward stopping the accumulation of surpluses in Government warehouses. And the program through its tree planting, grass and legume practices, will save soil and water resources for the future needs of our country.

The program has aroused the interest of farmers all over the country. During the signup period for contracts to take effect in 1959, farmers applied to place 20 million acres of cropland in the program—about 7 million acres more than funds were available on which to make payments. In Kentucky, farmers applied to place almost twice as many acres in the program as could be accepted.

There is no doubt about farmers' interest in the program—its effectiveness, however, will be determined by what we are willing to provide in appropriations. Adjustment programs cannot be effective when carried out on a timid basis—timid programs have been tried before and always fail. I would say to the Congress—provide enough authorization to permit a bold, expanded conservation reserve program to be carried out.

In recent weeks public statements have been made and stories have appeared in the press indicating that the land in the conservation reserve is generally of poor quality and that annual payments are too high. I do not believe these statements apply, at least in Kentucky. The Kentucky Agricultural Stabilization and Conservation Committee, the committee responsible for the administration of the program in my State, composed of successful and reputable farmers, reports that the land in the conservation reserve is equal in quality to the average quality of cropland for the State. The quality of land is good, and in addition, Kentucky farmers have put over 7,000 wheat allotment acres, 226 cotton allotment acres, and 2,500 acres of tobacco allotment in the program. Nearly all the farms in Kentucky on which all the cropland has been placed in the program had an allotment on one or more of the basic crops. So, on those farms there is no chance of shifting the acreage to other crops—all of it is out of production.

Another aspect of the program is producing dividends now and will for many years to come. All of the land in the program is required to be devoted to grass, trees, or cover beneficial to wildlife. The grass cover prevents wind and water erosion, and benefits everyone. Trees for timber will be needed in the future; this program is helping establish forests on large acreages.

The conservation aspects of this program must not be overlooked. It has the wholehearted support of a number of conservation and wildlife organizations. Every conservation-minded member of this body should support this program.

I urge the Department of Agriculture, the Committees on Agriculture of the Senate and House, to make a study of the Conservation Reserve program in all its aspects—its influence on total production by taking cropland out of production, its conservation benefits, its cost, which I predict will be less than that of price support programs for many crops.

Mr. WILLIAMS of Delaware. Mr. President—

THE PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Delaware?

Mr. WILLIAMS of Delaware. Mr. President, I wish to send an amendment to the desk.

Mr. RUSSELL. I shall be glad to yield for that purpose.

Mr. WILLIAMS of Delaware. I send to the desk an amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 12, line 15, to strike out "\$250,000,000" and to insert in lieu thereof \$100,000,000."

Mr. RUSSELL. Mr. President, I should like to point out that, of course, the issue as to whether or not we shall have a conservation reserve program after 1960 is primarily within the jurisdiction of the standing Committee on Agriculture and Forestry, which authorized this program. If the committee amendment is approved by the Senate and succeeds in negotiating the tortuous processes of parliamentary hazards, a total of 31 million acres would be embraced within the conservation reserve program. The question as to whether that authorization should be extended is certainly worthy of consideration. I would not undertake to pass judgment on it here at this time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. HOLLAND. I should like to comment particularly on the remarks of the distinguished Senator from Georgia with reference to the change made by the Senate Appropriations Committee from the 5-year limitation on the conservation reserve program, as contained in the House bill. I will ask the Senator to refer, if he will, to page 599 of the printed hearings, before I ask a question or two based on the relative differences between the 3-year, the 5-year, and the 10-year programs.

Mr. RUSSELL. I may say to the Senator that the tables which deal with the various phases of the conservation reserve program, and which are to be found beginning on page 593 of the hearings will, I think, be of great interest to all Members of the Senate; and I have some little familiarity with them because I undertook to get the Department to supply the information contained in these tables.

Mr. HOLLAND. I compliment the Senator for having made the request. I remember he did so. I think the inclusion of those tables shows with extreme clarity just why it is important that provision be made for the 10-year program.

If the Senator will note, practically all the Southeastern States have had to go almost entirely to the 10-year program, which is a program of tree planting and reforestation, and which I believe is the finest program available, at least in my part of the country.

Is it not true, as to Florida, the table on page 599 shows that only 1,125 acres are under a 3-year contract, 26,880 under the 5-year program, and 138,617 under the 10-year program—the tree-planting, reforestation program?

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. In the case of the State of Georgia, the great State represented, in part, by the distinguished

chairman of our subcommittee, I note almost identical ratios appear. Georgia has made greater use of the program than has the State of Florida, for natural reasons having to do with soil conditions. For instance, I notice that a little less than 5,000 acres in the State of Georgia have been under the 3-year contracts, as compared with 142,000-plus acres under the 5-year contracts, and 613,000-plus acres under the 10-year contracts. That is correct, is it not?

Mr. RUSSELL. That is what the table indicates. This is not altogether a sectional matter, of course. If the Senator will look at the figures, he will observe that for the State of Colorado the 10-year program is of tremendous importance. It is a very popular program in the West, as well as in the Southeastern States. In the State of Kansas, 530,604 acres are under the 10-year contracts, which is almost the same amount as stated for Georgia, and several times the acreage under the 10-year contracts in the State of Florida.

Mr. HOLLAND. That is correct. I hope the Senator will agree with me on the point I was trying to make, which is that if the 10-year contracts were not provided for, and the 5-year contracts covered the maximum period allowed, as would have been provided under the House bill, the reforestation program would have been entirely eliminated.

Mr. RUSSELL. It would have eliminated what I regard as being one of the most important phases of the program for future generations, which is the reforestation program, as stated by the Senator from Florida. It would not be worth any person's while to plant trees under a 5-year program, because nowhere in this land, even in northern Florida or southern Georgia, where trees grow faster than anywhere else in the world, would a tree be large enough to use commercially in 5 years.

Mr. HOLLAND. Of course the distinguished Senator is exactly correct. The action of the committee, as I recall, was unanimous in turning from the 5-year limitation, which was contained in the House bill, to the 10-year limitation, which has been shown so clearly to be the only one under which reforestation can be successfully accomplished. I think that was a splendid decision, and was in the interest of the long-range welfare of the Nation, as well as in the interest of many, many owners of property which is not desirable for anything else except reforestation. Does the Senator agree?

Mr. RUSSELL. The Senator has stated what appeared to me to be the unanimous opinion of both the members of the subcommittee and the members of the full committee, when they considered the proposal.

Mr. HOLLAND. I thank the distinguished Senator from Georgia.

Mr. RUSSELL. I thank the Senator from Florida for his contribution.

Mr. President, I have no further comment to make on the bill unless some Member of the Senate wishes to inquire as to some specific item.

I regret that it was impossible to accept all the amendments urged by Mem-

bers of the Senate providing for various activities, particularly those in the field of research, but we have carried the research appropriations forward very rapidly in recent years.

There were a number of requests for amendments which would have created soil and water research facilities in various sections of the country. The committee has previously had those amendments before it and has undertaken to deal with them for several years. Last year we requested the Department of Agriculture to conduct a survey and to advise the committee with respect to the needs in this field, and to establish an order of priorities for the important work of soil and water research. The Department submitted a very lengthy study and findings.

At one time, considering the large number of requests we received for copies, this report threatened to get on the list of best sellers, at least among the technical publications. The Department indicated that interest had been expressed in some \$20 million worth of facilities, which would require an annual maintenance cost of about \$26 million. Of course, we could not approve a program of any such magnitude as that for one type of research, so we approved a program to which the Department gave priority, which, as I recall, embraced an expenditure of about \$2,016,000.

Mr. DOUGLAS and Mr. YOUNG of North Dakota addressed the Chair.

Mr. RUSSELL. I yield first to the Senator from Illinois [Mr. DOUGLAS], and then I shall yield to the Senator from North Dakota.

Mr. DOUGLAS. First, I should like to ask the able Senator from Georgia some questions about the obligations which the country is assuming under the Commodity Credit Corporation.

As I understand the language of the report on pages 17 and 18, it is indicated, roughly, the committee recommends that the total obligations to be carried in the appropriation bill for 1959-1960 shall be approximately \$2.7 billion.

Mr. RUSSELL. I think that is a correct rough addition. I will say, however, that the committee did not allow the full amount requested.

Mr. DOUGLAS. The Department appropriations for 1958-1959 were \$3,097 million.

Mr. RUSSELL. We reduced those requests only \$100 million.

Mr. DOUGLAS. That is correct. The budget estimates for 1959-60 were \$2,803,521,913, and the amount recommended by the Senate Committee was \$2,703,521,913.

Mr. RUSSELL. The Senator is correct.

Mr. DOUGLAS. As I understand the situation, approximately \$1,435 million is to cover obligations which were really incurred in the fiscal year ending June 30, 1958; that is, for the fiscal year 1957-1958. We are now bailing out the CCC under the stabilization program for the fiscal year 1957-1958.

Mr. RUSSELL. It is fiscal 1958, I believe for restoration of capital impairment.

Mr. DOUGLAS. I think it is 1957-1958.

Mr. RUSSELL. No; it is not an estimate. It is the cost for 1958.

Mr. DOUGLAS. May I ask the meaning, then, of lines 6 to 9 on page 27 of the bill:

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1958, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), \$1,435,424,413.

Mr. RUSSELL. I have not read the law recently but I can state my recollection. Under the law the Commodity Credit Corporation must make an appraisal and an estimate of its losses by a certain date. The figure in the bill was submitted pursuant to that provision of the statute.

Mr. DOUGLAS. I notice the use of the date June 30, 1958, which would seem to imply the appraisal deals with losses for the fiscal year 1957-1958, and that the losses for 1958-1959 would only be covered if the date of appraisal were June 30, 1959.

Mr. RUSSELL. It is for the fiscal year 1958. The figure of \$1,435 million plus was agreed upon in order to restore the capital impairment of the corporation.

Mr. DOUGLAS. My query is, Is that for 1957-58 or for 1958-59?

Mr. RUSSELL. It is my understanding that it is for fiscal year 1958.

Mr. DOUGLAS. Fiscal year 1958?

Mr. RUSSELL. Yes.

Mr. DOUGLAS. So it would not cover losses for fiscal year 1959, the current year.

Mr. RUSSELL. No, it would not.

Mr. DOUGLAS. Is there any estimate as to what the current losses will be?

Mr. RUSSELL. I am sorry, but I am afraid I cannot furnish those figures to the Senator. I should be glad to undertake to obtain them.

Mr. DOUGLAS. We have heard estimates that they will amount to at least \$2,700 million.

Mr. RUSSELL. The Senator from Georgia may have been derelict, but he did not inquire of the department. We have had this question before us from year to year; but I must confess that the sums involved have a rather numbing effect on the Senator from Georgia.

Mr. DOUGLAS. I understand. They have a numbing effect on the taxpayers as well.

Mr. RUSSELL. In a modest way, I am counted among that number. The department submits the figures it arrives at under the procedure set forth in the law creating the Commodity Credit Corporation.

Mr. DOUGLAS. With respect to the losses in the fiscal year 1958-59, we shall have to appropriate in 1960-61.

Mr. RUSSELL. We will appropriate in the bill for the fiscal year 1961, which the Congress is supposed to enact before the 1st of July 1960, a sum for the fiscal year 1959, to restore impairment of the capital.

Mr. DOUGLAS. So we are always from 1 to 2 years behind.

Mr. RUSSELL. We are always at least 1 year behind on this, but the item

for reimbursement of the special activities has been handled in supplemental appropriations, I recall that distinctly.

Mr. DOUGLAS. With respect to the items shown on page 29, losses under the International Wheat Agreement and sale of surplus commodities under Public Law 480, and so forth, I take it that those are losses for the fiscal year 1958-59.

Mr. RUSSELL. I think those sums relate to the year 1959.

Mr. DOUGLAS. That is correct. But they were not anticipated in the appropriation bill for 1958-59, and have to be picked up after they occur, in the appropriation bill for 1959-60.

Mr. RUSSELL. These are estimated costs, as I understand.

Mr. DOUGLAS. Yes. But they are estimates for the funds which must be reimbursed for costs incurred in the fiscal year 1959.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. Under these latter items, we appropriate for losses suffered in 1958-59.

Mr. RUSSELL. The losses dealt with in this item, under the heading "Reimbursement to Commodity Credit Corporation for costs of special activities," are those which the Department estimates will occur in the fiscal year 1959.

Mr. DOUGLAS. That is correct.

This raises the obvious question, How are we ever to get rid of or reduce such expenditures? What we are now doing, in effect, is to give, by prior legislation, an open certificate to the Department of Agriculture to spend an indeterminate sum of money. Then, after the Secretary has made his decision, a year or 2 years later the appropriation bill comes along and we then pick up the tab.

The point I should like to raise is this: Is there any way of imposing limits which will operate in the future? Very frankly, I believe the country feels like a man running down a steep hill dragging a sled behind him. The sled is gaining on him, and any moment it is likely to hit him. He started out thinking he was pulling the sled, but shortly he will be tumbled into a snowdrift by the sled.

Mr. RUSSELL. I am afraid I do not have a specific one to suggest to the distinguished Senator from Illinois.

The Senator knows that these losses occur under other legislation which has been enacted by the Congress of the United States. The losses are not all due to one law. The items we are discussing now relate to reimbursement for the costs of special authorized activities. The \$63,875,000 is to make good the losses incurred under the International Wheat Agreement. If I recall correctly, that was a treaty which was ratified by the Senate after it had been negotiated by the executive branch of the Government.

Another item is \$104,508,000 for commodities disposed of for emergency famine relief to friendly peoples. I believe that authorization is found in Public Law 480, which was the original legislation dealing with the handling of sur-

plus commodities. It has been extended by the Congress from time to time.

Under the same law, the largest item is \$968,016,000 for the sale of surplus agricultural commodities for foreign currencies, which is authorized in title 1 of the legislation referred to. We now have quite a large amount of foreign currencies in almost every country in the world. We have found no satisfactory way to handle these foreign currencies. A number of suggestions have been made. I think the Senator from Oklahoma [Mr. MONRONEY] suggested that we use them in the foreign aid program. I heartily approve of that suggestion, rather than continuing to appropriate large sums of American dollars.

Mr. DOUGLAS. \$1,435 million is for commodity stabilization within our own country.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. This is the question I should like to propound to my good friend from Georgia—

Mr. RUSSELL. The sum of \$1,435 million for commodity stabilization within our own country includes a number of items, such as milk which is distributed to the school children, large quantities of food contributed to the school lunch program, and large amounts of food distributed to relieve distress and to provide for the more unfortunate within our own country which amount to \$383 million of the total amount in this item.

Mr. DOUGLAS. The school lunch program, aside from the milk program, has a separate appropriation, on pages 16 and 17, of \$43,657,248.

Mr. RUSSELL. That is true, but there is also a great deal of food furnished. I think last year it amounted to almost \$75 million worth.

Mr. DOUGLAS. This is the inquiry I should like to make: The Secretary of Agriculture, under the laws enacted by Congress, can commit us to enormous expenditures, the full extent of which we do not know at the time, and the amounts of which become revealed only a year or 2 years later. This has been referred to as "back-door financing." I would call it "barn-door financing."

The Secretary of Agriculture should come forward with a better program than the one he now has. If the Senator will examine the figures, he will find that the total farm income for this year is estimated, at current rates, to be only \$12.7 billion. This includes the cash value of farm products consumed in farm households, the gross rental value of farm dwellings, and Government payments to farmers.

Mr. RUSSELL. What was the figure the Senator gave?

Mr. DOUGLAS. \$12,700,000,000.

Mr. RUSSELL. We have been compelled to increase the borrowing authority of the Commodity Credit Corporation from year to year, until it has reached the level of \$14.5 billion.

Mr. DOUGLAS. I am speaking of the income of all farmers.

Mr. RUSSELL. I understand. We have had to increase this authority of the Corporation to a figure which is greater than the average annual income of all the farmers of the country; and

we are told it will have to be increased again next year.

Mr. DOUGLAS. Almost a third of the cash income of the farmer seems to come either directly or indirectly from the Government.

Mr. RUSSELL. No. I do not accept that statement at all. The Senator has fallen into the common fallacy of charging up to the farmers food which enters into the school lunch program, food which is contributed to people in distress, food which goes to hospitals and eleemosynary institutions, food which is exported to the peoples of Europe, from which we get these foreign currencies, money paid out under the International Wheat Agreement, and all the uses to which food surpluses are put. The farmer does not receive the benefit of all of it.

Mr. DOUGLAS. Let me put it this way: The Government is spending on its farm program a sum equal to approximately one-third of the total income received by farmers, including the value of food grown on the farm and the value of farm dwellings occupied by farmers. It would be interesting to compute the cash payments by the Government to the farmers with their total cash income. It is my belief that this cannot be far from 30 percent. The expenditures of the Government for agriculture, charged to the Department of Agriculture, are equal to almost one-third of the total income from all sources of all the farmers in the United States.

Mr. RUSSELL. Those expenditures are charged to agriculture, but some of them are very unfairly charged to agriculture. Of course the Senator has overlooked the fact, for example, that a billion dollars a year is charged for the storage, handling, interest, and administrative expenses of the commodity loans, and the handling of commodities acquired by the Commodity Credit Corporation.

Mr. DOUGLAS. The question the Senator from Illinois would like to ask is whether there is any way whereby we can diminish this flow at the spigot. Are we condemned to have this situation remain with us year after year and to be powerless to control the total amount which is spent? Is it not possible to find some way whereby we can reduce the amount? Frankly, I am baffled. Either by accident or design legislation has been adopted and rulings made in such a way that we are almost powerless to protect ourselves in any current year. I wondered why we could not impose a ceiling on the total amount which would be spent for all the commodity stabilization programs. But plantings for 1959 have already been made. If there are surplus crops which cannot be purchased by the Commodity Credit Corporation, they will be thrown on the market, and the price will break by even a greater proportion than before. So while I considered this possibility, I have had to discard it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. With respect to wheat, the Government could

eliminate all the costs if we were to adopt the domestic parity plan.

Mr. RUSSELL. The Senator from Illinois has posed a question. In common with all my colleagues from agricultural States, I have a farm plan. It goes to the basic legislation. However, we cannot attach it to the pending bill, and it would take too long a time to explain it.

I doubt that many of my colleagues would agree with me on it, because nearly every one of them has a farm program of his own. So far as dealing with it in connection with the pending bill is concerned, I do not believe it would be feasible to do that. The only function our committee had was to undertake to pass on the estimates which the Secretary of Agriculture submitted. The law says that Congress shall appropriate the funds for the Department.

Mr. DOUGLAS. Does that mean that we have lost control over our farm program?

Mr. RUSSELL. I do not doubt that the agricultural program, so far as the Commodity Credit Corporation is concerned, is completely out of hand, and has been for years.

Mr. DOUGLAS. I certainly feel very regretful that this should be so.

Mr. RUSSELL. I share the Senator's concern and the sense of frustration he feels. I have given this matter a great deal of thought, but I believe that in connection with this bill we cannot deal with that matter now.

Mr. DOUGLAS. I wonder if I could make a suggestion.

Mr. RUSSELL. I should be glad to have the Senator's suggestion.

Mr. DOUGLAS. Would it be possible to provide that no administrative expenses of the Department of Agriculture shall be paid unless for the year 1961-1962 the Secretary of Agriculture puts into effect certain restrictions upon output?

I am very frankly concerned with the situation so far as corn and feed grains are concerned. The Secretary of Agriculture has said that he will support corn at \$1.12 and has told farmers to plant just as much as they wish; that the sky is the limit. Substantially the same provisions have been put into effect for the competing feed grains. I have checked with the men who sell seed in Illinois, and I find that more corn is being planted than ever before. If satisfactory weather prevails, we will have an enormous crop of corn. As a result, the deficit of the Commodity Credit Corporation will increase for 1959-60. Is there any way whereby we can at least protect ourselves in the future, if we have lost control over the present?

Mr. RUSSELL. I do not know of any way it can be done in connection with the pending bill. Of course Congress as a whole will have an opportunity to do it next year, because the Commodity Credit Corporation will be compelled to come to Congress and ask for an increase in its borrowing authority next year. That will put the whole issue before Congress, and Congress will be able to legislate in any way it sees fit.

Mr. LAUSCHE. But next year is an election year.

Mr. DOUGLAS. I wonder if it would be possible to add an amendment something along these lines: "Provided, That no funds or stocks of the Commodity Credit Corporation shall be used for any purpose if the use thereof will cause the capital impairment of the Corporation in the fiscal year 1960 to rise above \$2,500,000,000."

Mr. RUSSELL. The Senator from Georgia is obliged to state that that would be legislation on an appropriation bill. Under rule XVI, he would be required to make a point of order against it.

Mr. DOUGLAS. What does the Senator think of the substantive provisions of such a restriction?

Mr. RUSSELL. Undoubtedly the patient is sick, but I think what the Senator proposes is a shotgun cure.

Mr. DOUGLAS. I saw how the Senator from Georgia worked when the size of the Marine Corps was in question. He approved of a restriction upon the Defense Department spending any money for administrative purposes in connection with a reduction of the Marine Corps strength to 175,000. That seemed to be iron tight. Why could we not impose a similar restriction on the Department of Agriculture, providing that the Secretary of Agriculture could spend no money for running his office unless for the year 1960-61 he imposed restrictions on the amount of each crop to be supported? Can we not at least protect ourselves for 1960-61 or 1961-62?

Mr. RUSSELL. The distinguished Senator from Illinois is justly proud of being able to claim association with the courageous organization known as the U.S. Marine Corps. However the proposal to which he refers was a legislative provision which was put on an appropriation bill. The Senator from Georgia was not in charge of the bill. He did not question it because he was supporting the amendment. However, if the Senator from Illinois will go back to the RECORD, he will find that it was a legislative proposal.

Mr. DOUGLAS. The amendment which the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois sponsored a few weeks ago was more definite than that. It struck out the use of administrative funds if the result of their use would be to effect a reduction in Marine Corps strength. I thought that I saw the Senator from Georgia give his approval.

Mr. RUSSELL. Yes.

Mr. DOUGLAS. That was iron tight. As a matter of fact, the Defense Department frankly stated—I believe I am safe in saying this—that it could not get around that provision. If the Defense Department could not get around that provision, let us fasten the same kind of provision in the pending bill so that Ezra Taft Benson cannot get around it.

Mr. RUSSELL. The laws which affect the Marine Corps are not quite so complicated as those which relate to the Commodity Credit Corporation.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. For example, the law requires that the Secretary of Agriculture shall support corn at 65 percent of parity. The Secretary cannot tell in the spring whether it will cost \$300 million or \$2 billion, and he cannot change the basic law. It would be necessary to wipe out the 65-percent provision if we wished to make sure that the cost would not go beyond \$2 billion, for example.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Florida. He and the Senator from Ohio [Mr. YOUNG] are distinguished members of the Committee on Agriculture and Forestry.

Mr. DOUGLAS. Both of the Senators double—I shall not say in brass—in responsibility for agricultural appropriations.

Mr. RUSSELL. I trust one of them will be able to supply some balm for the distress which the Senator from Illinois feels because of these increasing expenditures.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Georgia for yielding. I wish to express my sympathy to the Senator from Illinois for the feeling of frustration which he so clearly entertains. I would say that that is not limited to those who are not members of the Committee on Agriculture and Forestry or the Appropriations Subcommittee which handles agricultural appropriations.

Those of us who are on those committees share the same feeling of frustration. But I think the record should show that there are a great many activities in agriculture which are proceeding normally, soundly, and substantially. For instance, the Farm Credit Administration, which the Senator will find discussed on page 14 of the report. It is correct, is it not, that the Farm Credit Administration is now not asking for the appropriation of any Federal funds, whatever, and that the \$2,125,000 in the bill is a limitation of expenditure for administrative purposes; it is the same as that included in the budget estimate, and the same as that adopted by the House, meaning that those basic financing activities in agriculture which are comprehended within the Farm Credit Administration are proceeding soundly and with stability?

Mr. RUSSELL. The farm credit organizations have not required any direct appropriations for a number of years. The administrative funds to which the Senator from Florida refers do not come from the Treasury; they are not taxpayers' funds. They come from the funds which are accumulated by the various farm credit organizations. That has been the case for several years.

Mr. HOLLAND. The Senator from Georgia of course is correct. I simply wanted the RECORD to show that no Federal money is being appropriated for any of the basic financing activities which function through corporations operated by the Government, such as

the Federal intermediate credit system, and all the Federal banks for cooperatives, or even for the administration expense, which is very minor. Congress simply prescribes a limitation; but they provide the money themselves out of their own funds. That is correct, is it not?

Mr. RUSSELL. That is correct, with the exception, I think I should say, that I do not find a great deal which is ship-shape except the farm credit program.

Mr. HOLLAND. I wish to comment on one or two other items, because I think there are some other things which should be considered. I do not believe we should permit the RECORD to show a feeling of complete helplessness in the field of price supports and the activities of the Commodity Credit Corporation.

For instance, in the financing of the Farmers Home Administration, which Senators will find covered on page 11 of the report that administration being the lending agency of the Government which has to do with substandard or marginal activities, to mention its principal function, it is correct to say, is it not, that in that field the recommendations of the Budget and the actions of the House and of the Senate are identical?

Mr. RUSSELL. No; the Senator from Florida is in error. If he will check the figures again, he will find that the Department has been trying to eliminate the Farmers Home Administration, which is one of the more worthwhile divisions of the Department of Agriculture, but Congress has resisted the Department's efforts.

Mr. DOUGLAS. The Farmers Home Administration deals with the poorer class of farmers, does it not?

Mr. HOLLAND. The amounts provided by the House and the Senate exceed the amount of the budget estimate by \$33 million. But the House and the Senate are together on that item, and there is no controversy about that important agency.

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. To refer to the Rural Electrification Administration, which is discussed on page 10 of the report, my recollection concerning that item is that the House and the Senate actions on the electrical end of the program and the telephone end of the program are identical.

Mr. RUSSELL. That is correct; and Congress has allowed a \$25-million additional contingency fund in case the original funds provided are not adequate.

Mr. HOLLAND. With reference to the Federal Crop Insurance Corporation, is it not true that the budget estimate for this year is the same as that of last year, and that the budget estimate and the House and Senate amounts are the same for that important activity, which enables so many thousands of farmers to insure themselves against tragic losses due to weather conditions over which they have no control?

Mr. RUSSELL. The Senator is correct as to the funds involved in the administrative request for this corporation.

I may say that I think there is room for considerable discussion as to whether thousands of farmers are covered. This matter has never been permitted to go beyond an experimental insurance program. Only a few selected counties have been permitted to have the insurance. In other words, there is no crop which is fully insured, so far as I am advised.

Mr. HOLLAND. The Senator is correct; but the total number of farmers who are insured is in the thousands.

Mr. RUSSELL. I do not challenge that statement. I simply know that the insurance is not available to all farmers with respect to any one commodity.

Mr. HOLLAND. Likewise, there is the mutual insurance program which the Federal Government has created to enable farmers and fruitgrowers to protect themselves against unexpected damaging weather conditions because of the failure of private enterprise to provide such coverage.

Mr. RUSSELL. We have labored with this problem for 20 years, to my certain knowledge.

Mr. HOLLAND. It is a function which provides financial savings and stability, as shown by the report. I could mention other features, such as the Sugar Act program, which appears above the Federal Crop Insurance Corporation in the report, on page 10. In that program, there is no increase over the budget estimate, and there is no difference between the Senate and House figures.

There are many items in the Department of Agriculture as to which there is great stability. The only reason why I am referring to these items is that sometimes we who are members of the Committee on Agriculture and Forestry and of the Subcommittee on Agriculture Appropriations suffer from exactly the same sort of frustration which I think has been felt and stated, and I think very properly, by the Senator from Illinois [Mr. DOUGLAS]. We are struggling with all these activities but I think it is sometimes good to call attention to the fact that many of them are in good, sound condition.

But as to the price support program, I call the Senator's attention to the fact that there has been a grievous difference of opinion, not merely in the committees, not merely on the floors of the Senate and House, but in the agricultural organizations themselves and among the farmers themselves, as to what may be a sound, adequate program. It is in that field alone that there appear any greatly frustrating facts in the whole diversified program.

So I hope those who are not confronted with the daily task of wrestling with these problems will not come to the conclusion that the whole agricultural picture is one of confusion and disappointment.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. COOPER. I wonder if the Senator from Florida would comment on one of the oldest programs, the Extension Service. Year after year the Extension

Service, which is a joint undertaking by the Federal Government and the States, offers great value for the farmers and the country.

Mr. HOLLAND. The Senator from Kentucky is, of course, correct.

Mr. COOPER. I note that the amount recommended to be appropriated by the Senate committee is just the same as that approved by the House and by the Bureau of the Budget in its estimate.

Mr. HOLLAND. The Agricultural Marketing Service could be mentioned, as could many others. I was referring particularly to the financial activities. Perhaps I should have gone further and mentioned some of the other operating facilities of the Department of Agriculture, and of agriculture in the Nation and in the States, which are functioning with great credit to themselves and with great satisfaction to agriculture. But I do not want to minimize the position of the Senator from Illinois, because he has put his finger upon the most distressing and the most difficult problem in the entire field of agriculture. Some of us are willing to throw the whole price-support program overboard. Frankly, that has been my innate feelings for a long time. Yet I do not think we have come to the stage where it can be done away with, because to do so would hurt many, many good people.

I hold no brief for the Secretary of Agriculture; perhaps he has been unwise in some particulars, though I am not so charging at all, but I hope the Senator from Illinois will realize that the real fault is in the laws themselves which Congress has passed, and which do not, as I see it, at least, afford successful machinery for dealing with the price-support program.

Mr. RUSSELL. Of course, there is much in the bill which is very helpful. I am not one of those who have always agreed with Mr. Benson's policies. But, to give the devil his due, as the saying goes, in the field of research Mr. Benson has accepted almost every suggestion which has been made.

Of course the large appropriation items in the bill, when we get down to it, are the ones to which the Senator from Illinois has referred, which makes good the losses which have been incurred in the support programs. The fact that those losses have been incurred has generated other expenditures. We never would have had the soil bank and the \$2 billion which has been spent on it if the support program had been soundly administered and if farm income had been maintained.

I personally think Mr. Benson is so bitterly opposed to any support program at all, that he is not disturbed about losses, so long as they discredit the effective operation of any support program; and I think the program has cost us a great deal of money for that very reason. Undoubtedly we are confronted with a situation in which Congress is powerless to get another Secretary of Agriculture; and I am convinced that the support program, as it is now written, is not going to function, so long as Mr. Benson is its guardian.

So we are now confronted with the necessity, as I see it, of trying to get on

the statute books a law which will function in conjunction with the present Secretary of Agriculture.

In my judgment, the support program will never function under Mr. Benson, because he does not believe in it. He does not believe farm commodity prices should be supported, and he has just about convinced a majority of the people of the Nation that there cannot be a successful support program.

Mr. DOUGLAS. Mr. President, will the Senator from Georgia yield?

The PRESIDING OFFICER (Mr. KEATING in the chair). Does the Senator from Georgia yield to the Senator from Illinois?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. First, let me say that I was greatly pleased by the eloquent tribute which implicitly was paid by the Senator from Florida [Mr. HOLLAND], and to some extent by the Senator from Kentucky [Mr. COOPER], to the administrations of Woodrow Wilson and Franklin D. Roosevelt, in regard to agricultural matters, because I remember that it was Woodrow Wilson who started the farm credit system when he sent to Europe his commission which returned with the proposal for the farm credit land banks; and it was also in the administration of Woodrow Wilson that the Agricultural Extension Act—I refer to the act which provided for Federal aid for county agents—was enacted.

Furthermore, it was in the administration of Franklin D. Roosevelt that the Farmers Home Administration was begun—although it then had another title; nevertheless, it performed the same function of helping the poorer farmers. Moreover, I believe it was at that time that crop insurance was also begun.

All those measures were fought against strongly at the time by the opposition party. So I am glad to see that time has vindicated those programs.

Mr. COOPER. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. COOPER. Mr. President, I am very happy to pay my tribute to any President who promulgated and encouraged these programs.

I should also like to say that President Theodore Roosevelt established a Country Life Commission, composed of outstanding men who served without pay. I believe there were seven members of that commission. They made many of the recommendations which became law under later administrations.

I should also like to say that it was during the administration of President Abraham Lincoln that the Homestead Act and the Morrill Act, providing for the establishment of the land-grant colleges, were passed in 1862, as well as the act creating the Department of Agriculture.

Mr. DOUGLAS. Theodore Roosevelt had many good ideas which the Republican Party unfortunately would not put into effect. So it remained for the Democratic Party to put them into effect.

The county-agent system on a wide scale came, of course, with the Smith-Hughes Act of 1914, as I recall. The author of that first measure was the

great Senator Hoke Smith, of Georgia, whose seat the present distinguished Senator from Georgia [Mr. RUSSELL] occupies, I believe, and who had been Secretary of Agriculture in the Cabinet of Grover Cleveland, as I recall.

So I am very glad our friends on both sides of the aisle join in approval of those actions of past Democratic administrations.

Now I come to the present Republican administration.

Mr. HOLLAND. Mr. President, before the Senator from Illinois discusses the Republican administration, I should like to say just a word, because I do not happen to come within that group.

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. The reason why I chose the Farm Credit Administration, the Farmers Home Administration, and the REA as the basis for my remarks, in the main, was that I am chairman of the subcommittee which for some years has handled the legislative work in those three fields, and I happen to know that those three agencies are operating in a stable, sound, and satisfactory way. After mentioning them, I then referred to other sound activities.

Let me say that I am not particularly concerned with who was the father or the founder of any of those particular programs. The point I am trying to make to the Senator is that I hope he will not let his understandable frustration in regard to the price-support program, which has operated under both Democratic and Republican administrations—but I think has never been sound except as a war measure—I hope he will not let that frustration lead him to the conclusion that the Department of Agriculture is not serviceable and successful in most fields, regardless of the source from which the particular activities may have come. We who work daily in this field find it a most pleasant and rewarding field in which to labor, even though I share the Senator's frustration when it comes to the one great failure—the field of attempted price supports—which is the largest field of all, in terms of dollars and cents.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Illinois.

Mr. DOUGLAS. I am going to address some questions to the Senator regarding the matter of surpluses, and I wonder if it would be appropriate to ask unanimous consent that the colloquy be printed in the RECORD prior to the colloquy which the Senator from Georgia has had with the Senator from Minnesota.

Mr. RUSSELL. Mr. President, I am glad to ask unanimous consent that all of the colloquy between the distinguished Senator from Minnesota and the Senator from Georgia be printed after the discussion of the Commodity Credit Corporation clause.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Mr. President, do I correctly understand that the Commodity Credit Corporation surplus in the form of loans and inventories at the end of 1952 amounted to approximately \$2,450 million?

Mr. RUSSELL. That is approximately correct.

Mr. DOUGLAS. And that, as of April 1, 1959, those surpluses amounted to approximately \$9 billion.

Mr. RUSSELL. That is, the stocks on hand.

Mr. DOUGLAS. Yes.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. Do I correctly understand the Senator to say that we have increased the loan authorization of the Commodity Credit Corporation?

Mr. RUSSELL. I understand that the borrowing authority of the Commodity Credit Corporation at the present time is \$14.5 billion.

Mr. DOUGLAS. And it is anticipated that the surpluses this year will increase very markedly above the \$9 billion figure.

Mr. RUSSELL. Yes. I think there is no question that there will be a substantial increase in the surplus of some commodities.

Mr. DOUGLAS. It may reach \$10 billion, \$11 billion, \$12 billion, or \$13 billion.

Mr. RUSSELL. I would not undertake to make a guess. It is too early to tell;

but if we have a good crop year, the figure may even reach the larger sum mentioned by the Senator. We have had unusually good crop years, and I would not be surprised if the figure mentioned by the Senator were reached.

Mr. DOUGLAS. Mr. President, will the Senator permit me to place in the RECORD at this point a table which I have prepared, which I believe to be accurate, showing surpluses, by commodities, comparing the surpluses on December 31, 1952, with the surpluses on February 28, 1959?

Mr. RUSSELL. The Senator is at liberty to place the table in the RECORD as part of his remarks.

Mr. DOUGLAS. The table shows that the surplus of corn has increased from 368 million bushels to 1,571 million bushels. The surplus of cotton has increased from 1 million bales to 7.9 million bales; the surplus of wheat from 467 million bushels to 1,300 million bushels; and there are similar surpluses, though in different proportions and amounts, for peanuts, rice, tobacco, barley, grain, sorghums, oats, and soybeans.

I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Surpluses by commodities

Commodity	Unit	Dec. 31, 1952	Feb. 28, 1959	Times increased
Corn	Bushel	368,000,000	1,571,000,000	4.2
Cotton	Bale	1,000,000	7,900,000	7.9
Wheat	Bushel	467,000,000	1,300,000,000	2.7
Peanuts	Pound	192,000,000	256,000,000	1.3
Rice	Hundredweight	168,000	12,600,000	75
Tobacco	Pound	544,000,000	936,000,000	1.7
Butter	do	2,700,000	44,400,000	16.4
Barley	Bushel	9,000,000	158,900,000	17.6
Grain sorghums	Hundredweight	1,300,000	302,000,000	234.5
Oats	Bushel	19,000,000	104,000,000	5.4
Soybeans	do	8,000,000	134,000,000	16.7

Mr. DOUGLAS. Mr. President, I should like to inquire of the Senator from Georgia with regard to a possible means of reducing these charges in the future. I have been working on a rough draft of language, and I should like the offhand opinion of the distinguished Senator from Georgia as to what my proposed amendment might accomplish. It is addressed to page 29, after line 5. It would constitute a further limitation.

Provided further, That no funds shall be paid for any purpose by the Commodity Credit Corporation for any crop planted after January 1, 1960, with respect to which the Secretary has failed to provide for production controls or acreage limitations, or restrictions as provided in section 401(c) of the Agricultural Act of 1949.

One of the basic reasons why the surpluses have increased and have mounted to such extremes is that the Secretary of Agriculture, Mr. Benson, has failed to carry out section 401(c) of the Agricultural Act of 1949, which provides that the Secretary has the power to demand compliance by the producer with certain restrictions which the Secretary may apply, in order to be eligible to receive price support from the price support loan fund,

Instead, the Secretary has put into effect low support prices without requiring any acreage or bushel restriction of any effective kind, for a long list of commodities, namely, corn, grain sorghums, oats, rye, barley, soybeans, honey, tung nuts, cottonseed, flaxseed, and dried edible beans. The effect of this failure to impose quantity restrictions is to provide an open-end program under which the Secretary essentially agrees to buy everything the farmer grows, and later presents us with the bill.

This is the problem with which we are wrestling in the Corn Belt already, as I have mentioned. The Secretary fixed the support price at \$1.12 or \$1.13 a bushel, but with absolutely no restrictions on planting, acreage, or bushels. He did this himself. This is his program. He requested it.

The result, as I stated earlier, is a tremendous planting of corn. If the weather is at all favorable, we shall have an enormous corn crop. The Secretary has pledged the taxpayer to buy all this crop at \$1.12, with no limit upon the operation. We shall have a tremendous surplus, at an enormous cost.

The purpose of my amendment is to say that, perhaps, by reason of failure to act in the past, we cannot protect ourselves with respect to the plantings made in the past few months, but we can lock the door, so that next year the Secretary of Agriculture will have to establish some restrictions under the mandate which was given to him in the 1949 act.

I am not an expert on this subject, but it seems to me that such an amendment would be appropriate.

Mr. RUSSELL. Mr. President, I have not seen reduced to writing the amendment intended to be proposed by the distinguished Senator from Illinois. I have tried to follow it as best I could from his reading of it. I assume, if I correctly understand it, that if the committee amendment is in order, probably the Senator's amendment would be. I could not accept the amendment, because it was not considered by the committee. I think it would have a great impact on the entire agricultural situation of the country, and particularly on the corn farmers. I believe the corn farmers voted on this question. The Department encouraged them to vote for the program which is in effect.

Mr. DOUGLAS. The Secretary of Agriculture gave the corn farmers "Hobson's choice." They were not permitted, really, to vote for what they wanted.

Mr. RUSSELL. That is true. They had a narrow choice between two programs.

There are very few counties in my State in what was once called the old commercial corn area. As I understand it, that has been done away with now, and every farmer who plants corn anywhere in the United States is entitled to support. I assure the Senator that the farmers of Georgia are aware of that fact. They can grow a great deal of corn. They have not done so heretofore because most of them were not in the so-called commercial corn area. The Secretary will have a great many customers in that part of the United States, supplying him with corn which he has not had before.

Mr. DOUGLAS. I think the Secretary of Agriculture has led us into disaster with respect to corn and grain feeds planted in 1959.

Mr. RUSSELL. If we have a good crop year there will be nowhere to store corn.

Mr. DOUGLAS. Can we not protect ourselves for 1960 by placing a proviso in the bill to the effect that no Commodity Credit Corporation funds may be used for any crop planted after January 1, 1960, with respect to which the Secretary of Agriculture has not provided for production controls or acreage limitations, as provided in section 401(c) of the 1949 act?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. It seems to me that the amendment of the Senator from Illinois merits our most careful and sympathetic consideration. I should like to speak in behalf of the amendment. I wonder if the Senator from Illinois will submit the amendment to be printed.

Mr. RUSSELL. I should like to see it, so that we may understand what it would do.

Mr. DOUGLAS. I shall be glad to have it printed; but I thought the hurry sign was out.

Mr. HUMPHREY. Action will not be completed on the bill today.

Mr. DOUGLAS. If we have until tomorrow, we will have the amendment printed.

Mr. RUSSELL. It would not be too difficult to have someone make copies of it. I doubt if action on the bill will be completed today. Even if it is, if the amendment could be written and that would be of some help.

Mr. DOUGLAS. I will see that it is written.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. The Senator may recall that in 1956 an amendment was offered in the Senate, with administration support, to pay \$1.25 a bushel for corn, with unlimited production, in the commercial corn area. The Senator may also recall that the Senator from Minnesota spoke against that amendment. I voted against it in committee. I did so because, I said, to adopt that amendment, would mean the opening of a Pandora's box of trouble. I predicted that the government would own hundreds of millions of bushels of corn. That, Mr. President, wrecked the corn program that year.

I should like to say to my friend from Illinois that last year the choice the farmer had was the choice between voting on acreage allotments of 35 million acres of the estimated 72 million acres which were being planted, or taking the other formula, which was just slow death, 65 percent of parity and unlimited acreage.

In the State of Minnesota, which is one of the leading agricultural States of the Nation, we produce a substantial amount of feed grains, a substantial amount of soybeans, and a substantial amount of corn, both for feeding purposes, and for commercial purposes. Corn is being planted at \$1.10 or \$1.11 or \$1.12, depending on the area-guaranteed price. We will have an increase from 73 million planted acres to more than 90 million planted acres.

The Department of Agriculture has foisted upon the American people in this year, 1959, another potato fiasco. When I came to the Senate in 1949, the primary agricultural question was what to do about potato price supports. During the war years, because of the need for potatoes for the purpose of making alcohol, there was a price support program in effect to encourage the production of potatoes, and there was no control at all over production.

The Government of the United States was then spending about \$600 million on the potato program, and that program was a national disgrace. Congress ultimately rejected the whole thing out of hand.

Of course, the same thing is happening to corn. We will have so much corn

produced this year, 1959, that it will be utterly impossible to find the bins in which to store it. The only thing that can save us is an act of God, which would prevent the crop from maturing and being harvested.

Whom does such a program help? The farmer? Certainly not. Cheap corn means surplus corn. Surplus corn means surplus hogs. Surplus hogs mean cheap pork and cheap lard. That means the end of thousands of farmers.

Some of us have literally wept because of the foolish agricultural economics. The Department of Agriculture has committed itself to the policy of reducing price supports and taking off controls. Both actions lead to agricultural catastrophe. We have had a 20 percent reduction in price supports since 1953, on the average. In the meantime, commodity holdings have risen from \$2½ billion to more than \$9 billion. Thousands of farmers have been driven off the land. Whole agricultural communities have been destroyed. The hoax which is being perpetrated is in leading of the people of the country to believe that Congress is responsible for all this.

Mr. President, we passed three farm bills, and all three were vetoed. We have had the gun pointed at our temples—it has been at my temple, certainly—and we have been told by the President and by the Department of Agriculture, "Pass this bill or you won't get any bill." So we passed bills which the administration demanded. The bills were worthless, and they have been administered in an even less worthy manner.

Now that they are a complete fiasco and now that the Nation is groaning under the load of the farm surpluses and under the maladministration of the Department of Agriculture and of the administration as a whole, it is said that it is our fault.

Let me make it perfectly clear that it is not my fault. It is not my fault that we provide 65 percent of parity as a price support for corn, with unlimited production. I voted against that miserable bill. It is a "lousy," no good bill. I said so to my people. It has been said that a referendum has been held on the question. How many people in the farm area voted on that question? Of the total number who had acreage allotments, less than 20 percent went to the polls. Of the 20 percent, a large number voted against the alternative.

I am sorry to take so much time of the Senator from Illinois, who is asking questions of the Senator from Georgia. However, I wish to say to the Senator that when we put a price support on a commodity which is in excess supply, that commodity ought to have a production control imposed on it. It is another thing to have a price support on a commodity when it is necessary to encourage production. Then it is not necessary to have production controls. Then we ought to have controls which would increase production. However, when we are dealing with a price support on a commodity of which we have millions of pounds or bushels in excess supply, it is necessary to have acreage

controls, production controls, marketing controls, or whatever may be required.

The farmer will accept controls if we give him a good price. However, we cannot expect him to accept 60 percent of parity and a 30 percent reduction in acreage. He is not that foolish. He has suffered under Secretaries of Agriculture, under acts of God, and from pestilence, and bad weather. The farmer is not going to be so foolish as to accept lower price supports and larger acreage reductions, which cut the heart out of his business.

I know what farm people think. I have visited with them and worked with them. They have faith in me, and I have faith in them. I have said to my colleagues in the Senate and in committee that the farmer does not want a free ride. He will accept controls on his production. If we are big enough fools to offer him a free ride, he may say, "Everybody else is getting a free ride. The interest rates of the banks are being raised. There are almost unlimited profits for corporations. Everybody is on the gravy train." So he may feel that he might as well get on the gravy train too, even though it is slopping over.

If Congress will see to it that the farmer gets a chance to realize a fair price for what he produces, he will limit his production. If we give him a fair price, he will limit his production.

Mr. Benson is overfeeding the entire farm economy to the point where it has become the victim of Benson's gout. That is what is wrong with it. He is overfeeding the whole price-support program, and the whole economy is getting Benson's gout. The only cure for that sickness is a very drastic change, which will take place not very long from now. I shall speak on that point later.

Mr. RUSSELL. Mr. President, I have listened with great interest to what the Senator from Minnesota has said. I have been of the opinion for some time that the principal aim in life of the present Secretary of Agriculture is to prove that price supports will not work, even if it costs \$20 billion to prove it.

Mr. HUMPHREY. The Senator is absolutely correct. In that endeavor, the Secretary has been quite effective thus far. I only hope that time runs out on him.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Illinois.

Mr. DOUGLAS. I merely wish to ask a very simple question. The Senator from Illinois does not pretend to be an expert on farm problems in any sense.

Mr. RUSSELL. I have resigned my claim to that distinction some time ago.

Mr. DOUGLAS. Like most of us, I am distressed by the enormous expenditures which we are making, while the condition of the farmer gets worse and worse from year to year.

The Senator from Minnesota spoke of thousands of people who are leaving the farms. I have here the latest issue of Economic Indicators, which shows that in 1952 the average number of farms

was 5,400,000; and in the first quarter of 1959, 4,600,000, 800,000 fewer farms, which means from 4 million to 5 million fewer farm people. At the same time, the average price of a unit of farm goods, the prices received index, on the farm has been decreased by 15 percent or from an index number of 288 in 1952 to 244 as of April 15, 1957. The price of goods which the farmers buy has increased by 3 percent, and most of this, I may say, is in the field of living costs, not production costs. The parity index has fallen from 100 in 1952 to 82 as of April 15, 1959. So a composite unit of farm products today can purchase 18 percent less than it could purchase in 1952.

A farm depression exists today, with increasing governmental expenses and increasing surpluses. Sometime a change must be made; and to my mind, the quicker the change is made, the better.

The amendment which I have suggested is being mimeographed and will be available in a few minutes. I hope the Senator from Georgia will examine it. It requires the Secretary of Agriculture, by imposing a limitation on Commodity Credit Corporation funds, to provide some form of production controls for every crop planted after January 1, 1960 upon which a price support is given. I hope the Senator from Georgia will examine the amendment. If there are any errors, I hope he will point them out to me. I am not an expert in this field at all; I simply have a desire to protect the farmers, and at the same time afford protection to the taxpayers in general.

Mr. RUSSELL. I shall be very happy to look at the amendment which the Senator from Illinois is suggesting.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I understand that the bill has now been amended so as to appear before the Senate as a new or a clean bill, and subject to amendment as if it had been reported without amendment.

I should like to ask the Senator from Georgia a few questions in regard to certain technical portions of the bill; and thereafter I should like to make some general observations on the bill.

First, I should like to ask the Senator from Georgia about the brucellosis eradication program. I understand the 1960 budget estimate for the brucellosis eradication program was \$15,538,800. Is that the understanding of the chairman of the subcommittee?

Mr. RUSSELL. The Senator from Minnesota is correct. I had the round figure of \$15 million in mind as the estimate.

Mr. HUMPHREY. I gather that the committee added approximately \$2,500,000 to that item, as a result of committee action.

Mr. RUSSELL. Yes; the Senate committee went into that matter. The Department seemed to believe that \$15 million was adequate, because of the very fine progress which has been made with

this program. But the committee had apprehensions as to the adequacy of that fund; and therefore it allowed \$2,500,000 over and above the budget figure, so that nothing would happen to this program, which has been making great progress throughout the country.

In a number of States the program has been completed. Of course, it can never be completely closed out until it is completed on a national basis; and I do not know that that could ever be done. I am not that familiar with the nature of the disease.

Mr. HUMPHREY. Of course, the chairman of the subcommittee recognizes that in the fiscal year 1959, \$20,556,800 was appropriated for the control of brucellosis.

Mr. RUSSELL. Yes; I am well aware of that. But that figure was increased last year by \$5 million.

Mr. HUMPHREY. Let me say most respectfully to the distinguished chairman of the subcommittee, that I have seen no evidence to justify the budget estimate of the Department—namely, \$15,500,000 plus. There are every bit as many cattle. The brucellosis control program has just been getting under full way; and it is one of the most valuable programs we have, from the point of view of public health, as well as from the point of view of herd improvement.

As one who comes from a State which has a very fine brucellosis control program, I am appreciative, of course, of the \$2,500,000 increase voted by the committee over and above the amount of the budget estimate. But I say most respectfully that the \$20 million which was made available last year was not in excess of the needs; in fact, the needs were even greater than that.

So I hope this year we shall not "put the brakes" on this very effective program, which only just now has begun to operate in the way it really should operate in more and more States. I wonder if the chairman of the subcommittee would be strongly opposed, or opposed in any degree, to considering restoring the sum of money for the brucellosis control program which was provided last year; and if not, I wonder what evidence the Department presented to indicate that the needs will be less in 1960 than they were in fiscal 1959.

Mr. RUSSELL. I do not have before me the specific testimony, but inquiry was made of the Department. In the first place, we asked the Department what it had requested of the Bureau of the Budget. Very often, these requests are cut back in the Bureau of the Budget.

Dr. Shaw, the man charged with the responsibility for this program, testified that they requested \$15 million. He further testified:

Well, I certainly support the view that you expressed. We have got the program on a good going basis and we have an impetus in there to get the job done. I certainly want to keep it that way and get it done. I believe we can do it with \$15 million. We would do it somewhat faster if we had \$20 million. We can do it with \$15 million.

He further testified that the States had increased their brucellosis programs from \$12½ million to \$17½ million,

which was a \$5 million increase. So that amount also, is available.

I am of the opinion, though I do not have the detailed figures before me, that the \$17½ million would authorize a program of approximately as much as was available last year.

Mr. HUMPHREY. I believe that is correct. With the \$2½ million increase which the Senate committee has recommended, plus the amount on the States' side, the sum total of both Federal and State funds would be as much as it was last year. However, at the same time, let me say, more States have entered into the picture and are participating more intensively in the brucellosis control program. So the program is on a broader basis than it was last year.

Mr. RUSSELL. I do not think the Senator is correct about that, because a large number of States have cleaned out brucellosis. Fifteen States now have brucellosis-free certification. That statement applies to some States which have a tremendous population of cattle.

We asked the Department to review the question and keep the committee advised. I can assure the Senator that if the program is impaired because of lack of funds, I shall be glad to include an item for it in a supplemental bill. I believed the committee had discharged its responsibility to a very important program when it increased the budget request by \$2½ million.

Mr. HUMPHREY. The chairman of the subcommittee has given me a reassurance that is quite significant; namely, that in the evaluation of this program as to funds required, while the committee has recommended more than the estimate of the budget, if the funds provided are not adequate for carrying out the program of brucellosis control in the areas where there are infected herds, it is my understanding the chairman of the subcommittee on agricultural appropriations will look with favor upon a supplemental appropriation at the appropriate time. Is that correct?

Mr. RUSSELL. I certainly would. I believe that is the view of practically all members of the subcommittee. We are all interested in this program.

Mr. HUMPHREY. I know the Senator is.

Mr. RUSSELL. At the time the subcommittee recommended a \$2½ million increase, we had not heard from certain States. We did not hear from some of the States that urged the committee to recommend \$20 million until after the committee had already allowed the \$2½ million increase.

I want this program to go ahead. It is vital to the health of the people of the Nation, and particularly the most important ones, namely, its children, who consume the major portion of the milk produced.

If there is an impairment of the program because of the lack of funds, I shall be very happy to support a supplemental appropriation.

Mr. HUMPHREY. I may say to the Senator from Georgia, whose record in support of these valuable programs is beyond criticism, and has been exemplary, that the assurance which he has

given the Senator from Minnesota and the farmers of the Nation who are in the dairy business is more than adequate.

I merely wanted to raise this point because I am sure questions will be asked as to why funds in the amount of \$20,500,000 are not available for this year when funds in that amount were made available last year. As I see it, the total Federal and State funds for 1960 will result in a cumulative total of approximately the same amount as was made available last year, will it not?

Mr. RUSSELL. That is my recollection. I have not checked the figures, but my recollection is that that is the reason why the committee allowed the \$2½ million.

Mr. HUMPHREY. I think we ought to pay our thanks to the States for their expanded participation in the program. This is one of the finest programs we have.

Mr. RUSSELL. I wish to thank the States which have increased their participation. There is great disparity in participation in the program as between the States. Some have participated very little. Some have participated to the extent of \$2 or \$3 for every Federal dollar. The committee asked the Department to undertake to do something to get State participation in better balance.

Mr. HUMPHREY. If the chairman of the subcommittee will indulge me for a few more moments on another item, in reference to the Meat Inspection Service and the responsibility of that Service. The subject of meat inspection appears on page 4 of the committee bill. The amount of money recommended by the full committee is \$21,324,900.

In my testimony before the subcommittee, I had asked that there be allowed \$21,475,000, and I submitted a statement in support of that amount. I believe the amount requested by the Bureau of the Budget was \$21,475,000. Is that correct?

Mr. RUSSELL. The Senator is correct. That is the figure which the Senator very eloquently urged before the subcommittee.

Mr. HUMPHREY. The sum the committee recommended for appropriation was \$21,324,900.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. I realize we are now dealing with a very small reduction, but I wondered what the justification was on the part of the committee.

Mr. RUSSELL. I can explain to the Senator. The sum allowed by the committee will maintain inspection at the same level as at the present time, including the supplemental funds recommended in the budget estimate. There will be no reduction whatever in the service. It will be maintained at its present level. The full amount requested by the Budget Bureau would have increased the inspection service by adding to the force—I have forgotten the exact figure—new inspectors. The committee thought that if the inspection service were maintained at the present level the Department should be able to get by. The amount was increased in the supplemental appropriation,

as the Senator will recall. There is an overall increase of \$539,000 above the 1959 appropriation.

Mr. HUMPHREY. That includes, does it, the poultry inspection?

Mr. RUSSELL. No.

Mr. HUMPHREY. It does not include poultry inspection, but is strictly for the red meat division.

Mr. RUSSELL. Yes. There is \$10.5 million additional for poultry inspection.

Mr. HUMPHREY. As I recall, we separated those two items. As the Senator knows, from time to time I have discussed the subject of meat inspection on the floor of the Senate because of the great interest Minnesota has in meat, considering the number of packing houses located there.

Mr. President, the Committee on Appropriations of the other body has questioned, in its report on the Department of Agricultural appropriation bill, the wisdom of Federal inspection of further processing operations of meat and poultry. "Further processing" is the canning of meat and poultry and the preparation of a variety of meat and poultry products, such as frozen, pre-cooked dishes.

The Appropriations Committee of the other body declared:

There appears to be little merit or public health protection from providing such costly inspection services at public expense.

It called the inspection a luxury, and hinted that it was a double inspection.

I respectfully, but strongly, disagree with that report. The inspection of further processing operations is neither unduly expensive nor is it a double inspection. It provides now, and has provided for decades, vital protection for consumers.

The inspection of further processing operations of meat has apparently been a part of meat inspection since the enactment of the Meat Inspection Act more than a half century ago. The Meat Inspection Division of the Department of Agriculture has been able to develop a program whereby an inspector does not look into every pot in which some meat product is cooking, but he is able to provide effective consumer protection.

Poultry inspection, as a new program, has not provided inspection for further processing operations yet. Unfortunately, the administration, playing its budget games, has not asked for appropriations for further processing inspection in its budget request. It is using, as a loophole, a provision in the Poultry Products Inspection Act, which allows the Secretary to make exemptions until July 1, 1960.

As one of the sponsors of legislation which led to the Poultry Products Inspection Act, I can say that the exemption provision was not put into the legislation for that purpose. It was to provide authority for the Secretary to exempt individual firms or small groups of firms when he could not provide inspection before July 1, 1960.

The exemption was definitely not aimed at exempting sizable sections of the poultry industry, nor was it to effect

some kind of budget-balancing political strategy at the expense of and danger to the consumer.

The current exemption not only hurts consumers; it also harms the industry. Representatives of the industry, as well as of consumers and labor, opposed the use of the exemption provision in this matter in testimony before the Appropriations Committee.

To be sure, meat and poultry are inspected at the time of slaughter. However, this does not make the inspection at the time of further processing either an unnecessary or a double inspection. The inspection of further processing operations provides essential consumer protection.

Were it not for the inspection of further processing, the canning and preparation of meat and poultry products could easily become the dumping ground for such meat and poultry as could not pass inspection. The junk of the industry would go into the preparation of these food products.

Furthermore, meat and poultry are highly perishable products. They can easily have deteriorated between the time of slaughter and the time of the further processing operations. The cooking in further processing would mask this deterioration, but the food would still be undesirable to consumers.

Not only the meat and poultry, but also other products used in the further processing operations are highly perishable. These products may not be wholesome or they may be in such a state as to cause the meat and poultry to deteriorate.

The inspection at the time of further processing prevents or minimizes these dangers to the consumer. Is this type of protection then too expensive?

It is true that the cost of inspecting further processing operations in meat has increased and will continue to increase. But so has the cost of everything in and out of Government.

Actually, the inspection of further processing accounts for only a fraction of the meat inspection budget. And witnesses before the Senate Appropriations Committee urged the approval of \$600,000 to cover the inspection of further processing operations in the poultry industry.

Mr. President, I believe that neither the cost of inspecting further processing operations nor the cost of meat and poultry inspection, as a whole, need alarm us. These operations are protecting the health of our Nation. And they are not unduly costly in view of the fact that they are designed to prevent sickness and death among tens of millions of Americans.

Of course, the meat inspection and poultry inspection programs must operate as efficiently and effectively as possible. If there is any waste in the operations, it must be eliminated.

But as I understand the situation, neither the Eisenhower administration, which did not ask for funds for inspection of further poultry processing in fiscal year 1960, nor the Appropriations Committee, which called the inspection of further processing a luxury, made

charges of waste. The question is whether there is merit and public health protection in providing such inspection. I firmly believe there is, and I know that my colleagues agree.

As further evidence of the need for the inspection of further processing, I invite the attention of my colleagues to a scientific article, "A Study of Frozen Precooked Foods, Their Sanitary Quality, and Microbiological Standards for Control." This article, which was published in the current issue of the Quarterly Bulletin of the Association of Food and Drug Officials of the United States, discusses bacteriological studies made of these foods.

One of the points in the summary and conclusions of the article is that "poultry products appeared to be of poorer sanitary quality than other foods."

This situation can be remedied if legislation enacted by Congress is implemented. The inspection of further processing of poultry must be undertaken. And the inspection of further processing, long a part of the meat inspection program, must be safeguarded.

I may say to the chairman of the subcommittee, that I have gone into this detail because I have the feeling that the report of the Appropriations Committee of the other body, if left uncontested, would serve to limit the meat inspection program. The purpose of meat inspection is consumer protection. I feel it is important that the Senate, in its deliberations on this appropriation bill, make it crystal clear that the processed products of meat and poultry are included, and that the phrase "further processing" is included under both meat and poultry inspections.

I notice the Senate committee does not take the line which the other body took. I am merely making the record clear, so that the report of the other body will not stand uncontested, because that report violates the history of the meat inspection service, which for years has made inspections of all types of processed products produced by many of our packing houses.

Mr. RUSSELL. The Senator is, of course, aware of the fact that under the legislation which his committee successfully sponsored in the Congress these two inspection services are under different agencies in the Department of Agriculture.

Mr. HUMPHREY. Yes, I am.

Mr. RUSSELL. The language to which the Senator averts I believe deals with the appropriations for the inspection of poultry.

Mr. HUMPHREY. I refer to the language in the House report.

Mr. RUSSELL. I do not think any issue has been raised with respect to meat inspection.

Mr. HUMPHREY. If the Senator will wait 1 minute, I will check the report.

Mr. RUSSELL. I will say to the Senator that the situation, as it developed in the testimony, was that the House was undertaking to appropriate for poultry inspection, and dealt with this matter from the angle of poultry inspection. It was stated that the money was appropriated for the eviscerating plants, to inspect poultry when killed and first

processed, and that the House committee was not concerned as to whether the Department inspected the same chicken again when it was sold to be put into a pie or into some other food product.

Mr. HUMPHREY. Yes.

Mr. RUSSELL. As I recall the testimony, the Department testified that it had the authority to reinspect the chicken, if it were considered wise to reinspect it, when it went to the plant where it was to be put into frozen food, or whatever amalgam of flour and chicken the processor might decide to use.

We have allowed the full amount of the budget estimate.

Mr. HUMPHREY. The Senator is correct.

Mr. RUSSELL. So far as I know, there is nothing to prevent the Department from pursuing the inspection of any chicken to the time it reaches the wholesaler, at least.

Mr. HUMPHREY. The Senator's interpretation is my interpretation. I am most grateful for the Senator's comments.

My only reason for including the words "meat inspection" in this whole matter was that on page 10 of the report of the other body the title used is "Meat and Poultry Inspection," and the entire matter is covered in one section. The reference to the Inspection Service is made in that one section.

Since I have been keenly interested in this matter for several years, all I have been trying to do is make the record manifestly clear that insofar as the authority of the Department in the field of inspections is concerned it does not necessarily stop in the first instance with the carcass, for example, of beef or pork, nor does it stop in the first instance in the initial processing of poultry, but instead it can go through the processing stage itself.

Mr. RUSSELL. The Senator, of course, is better prepared and more qualified to construe the law than is the Senator from Georgia. The distinguished Senator from Minnesota is one of the authors of the Poultry Inspection Act. I have undertaken to implement that act from the standpoint of the Committee on Appropriations.

I will say that the Senator from Georgia is one of those who thought we might have had these two inspection services in the same agency of the Department of Agriculture.

Mr. HUMPHREY. I think the Senator is correct.

Mr. RUSSELL. I care not in which agency they are, but I think they ought to be in the same agency. In my opinion, the work could be done for \$2 million or \$3 million less overhead if both the poultry inspection and the meat inspection were done by the same service.

Mr. HUMPHREY. I think the Senator is essentially correct. I believe the trouble we had before the legislative committee was due to a feeling on the part of many of those interested in the poultry business that they might not be given the kind of first-class treatment they ought to receive if they were amalgamated with the red meat Inspection Service.

Mr. RUSSELL. The poultry processors were very anxious to get under the Agricultural Marketing Service.

Mr. HUMPHREY. That is correct.

Mr. President, I do not care to labor this point any longer. The Senator from Georgia, as is to be expected, has been most helpful and most informative.

I wonder if the Senator from Georgia would have any objection to my asking unanimous consent to have printed at this point in our discussion the study of the frozen precooked foods made by the Department of Health of the city of New York, Bureau of Food and Drugs and Bureau of Laboratories. This is a descriptive report as to what is required for the adequate inspection of processed products.

Mr. RUSSELL. If the distinguished Senator, who is a member of the Committee on Agriculture and Forestry, thinks the study will illuminate the activity of the Department, I certainly have no objection.

Mr. HUMPHREY. It would be very helpful, I think, since obviously the city of New York represents one of the great consuming centers of the Nation. I have found this report to be very helpful, and in fact it was studied at the time we discussed the inspection service.

I thank the Senator very much, and I ask unanimous consent that the study be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

A STUDY OF FROZEN PRECOOKED FOODS: THEIR SANITARY QUALITY AND MICROBIOLOGICAL STANDARDS FOR CONTROL¹

(A. E. Abrahamson, Leon Buchbinder, John Guenkel, Milton Heller, Department of Health, City of New York, Bureau of Food and Drugs and Bureau of Laboratories)

With each passing year since World War II, we have witnessed a great, steady increase in the amount of frozen precooked food sold. Not only has the homemaker recognized its value as a convenience but even the military. The Quartermaster Corps of the Armed Forces of the United States has carefully watched the progress of the frozen food industry and has helped it in its many problems in technology. It has established a system of resident inspection, laboratory control, and quality standards, which includes indices of sanitation. Those who do business with the military must meet its standards. Commenting on the current microbiological standards of quality for frozen precooked foods, Rayman, and his associates write (14), "adequate standards will, of course, demand the absence of disease producing organisms, and will take into account environmental conditions consistent with discouraging the growth of microorganisms during production, transportation, and storage of the end product. Inasmuch as precooked frozen foods are generally subject to less thorough heat treatment prior to serving than that given during cooking of fresh frozen products, it will be apparent that microbiological standards for precooked types of food need to be somewhat more stringent and exacting."

Health officials and sanitarians have evinced more than casual interest in the protection of the vast army of civilian users of frozen precooked food. The committee

¹ Presented at 42d annual meeting of the Central Atlantic States Association of Food and Drug Officials, May 29, 1958, at Old Point Comfort, Va.

on frozen food standards of the International Association of Milk and Food Sanitarians reported (5) in September 1956, "it is felt that since there is a potential danger in this type of food, some steps should be taken to gather together information to determine whether or not a public health problem exists." This committee's report continued with its laboratory work on samples taken mainly at retail stores of chicken, turkey, and beef pot pies, chicken and turkey dinners, swiss steak, chicken and noodles, and also chicken and dressing. The committee also studied the manufacture of chicken and turkey pot pies. It concluded that "it is the opinion of the committee that this is a potentially hazardous situation needing further attention and action by public health sanitarians."

Several food poisoning cases involving precooked frozen foods, such as chicken potpie, turkey potpie, codfish cakes, and breaded shrimp, have been reported by Abrahamson (1). The examination of these foods by bacteriological techniques disclosed the presence of the types of organisms, in high counts, which are associated with insanitary processing practices.

Thatcher (17) in a discussion of new foods marketed in massive amounts indicated a need for surveillance. He commented, "An alert public health agency ought to be positively concerned about the microbial content of comparatively new form of processed foods for which it has not yet been possible to estimate their public health hazard based on experience. Any factory which changes the ecological balance of microflora in a non-sterile food presents a potentiality for a modified health and spoilage hazard."

"Food control agencies have a responsibility to be actively interested in the microbial quality of new foods marketed in massive amounts, especially when such foods appear to have received extensive handling during manufacture, and which, in the event of inadequate refrigeration, represent an admirable medium for the multiplication of pathogens and spoilage organisms or for the elaboration of toxins. To illustrate, reference is made to the mass-produced frozen precooked dinners, meat pies, poultry dishes and the like and the growing trend toward the sale of factory stuffed poultry."

A survey of the bacteriological status of a limited number of frozen precooked foods with special reference to chicken a la king by Buchbinder (2) in 1949 revealed total plate counts, coliform counts, staphylococci of the food poisoning type, and enterococci in amounts higher "than reasonable standards would allow." The disclosure of the role of frozen precooked foods in food borne outbreaks indicated a need for further study of the sanitary quality of these foods.

The department of health of the city of New York, recognized its responsibility and undertook another investigation of this problem by initiating a bacteriological study of a wide variety of frozen precooked foods at both the consumer and subsequently the wholesale distribution levels. This approach was adopted for the purpose of establishing both the sanitary quality of these foods at each level, and to determine if any difference exists in the bacteriological results at these levels as judged by the standards of other workers.

The frozen precooked foods were grouped into five major categories as follows:

- I. Poultry products: Dinners, pies, chicken a la king, chopped chicken liver.
- II. Meat products: Dinners, pies, chopped liver.
- III. Fish products: Dinners, pies, sticks, filets, cakes, bites.

ASSOCIATION OF FOOD AND DRUG OFFICIALS

TABLE I.—Samples frozen precooked food taken at retail

Type product.....	Poultry		Meat		Fish		Shellfish		Chinese type	Total
Total taken.....	37		29		62		51		16	195
	Num-ber	Per-cent ¹	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent
Total count:										
Less than 50,000 col/gm.....	25	67.6	21	72.4	54	87.1	39	76.5	11	68.8
Less than 100,000 col/gm.....	25	67.6	22	75.9	58	93.5	43	84.3	12	75.0
Staphylococcus coagulase pos.:										
None.....	29	78.4	27	93.1	57	91.9	51	100	14	87.5
Less than 100.....	29	78.4	27	93.1	59	95.2	51	100	14	87.5
Satisfactory: Less than 100,000 col/gm and staphylococcus: None.....	20	54.0	22	75.9	52	83.9	42	82.4	12	75.0

¹ Indicates percent of total taken.

IV. Shellfish products: Shrimp, crab, lobster, dinners, deviled products.

V. Chinese style products: Dinners, chow mein, chop suey, egg rolls.

Beginning July 3, 1957, a total of 195 samples as shown in table I were obtained at the consumer (retail) level. These samples were selected so that as many nationally advertised brands as possible could be included. The criteria established for an acceptable quality of frozen precooked food were: a total plate count of less than 100,000 colonies per gram and the absence of staphylococcus aureus.² The samples taken, except poultry products, were found satisfactory by these criteria, in the order of about 80 percent. The major problem appeared to devolve about the poultry products which were found satisfactory to the extent of only 67.6 percent.

All manufacturers whose samples were found substandard were notified that "we have administratively adopted an indicative of an unsatisfactory finding a sample showing a count of 100,000 colonies per gram or more in the total plate count. We feel that the presence of staphylococci (coagulase positive type) indicates human contamination."

Beginning November 7, 1957, all the products and brands involved in the retail survey were sampled at wholesale distributors. Sixty-three brands and types were unavailable at wholesale, mainly private labels.

Table II discloses the results of bacteriological examination of 132 samples taken at

wholesale distributors. It will be noted that the sanitary quality in all categories of these foods was of the same general order as those listed under Table I- (retail level). Poultry products seemed to be of better quality at this level.

Because of the lapse of time between the original sampling at retail and the follow-up at the wholesale distributor's level, the same lots of frozen precooked foods were probably not obtained. Although there is some statistical variability because of the different phase of the sampling, the findings tend to confirm that control at the source is essential for the assurance of better sanitary quality. These findings furnished no evidence that handling at retail and consumer levels adversely affect a product which had already been contaminated through improper handling during processing. However, it should be stressed that a product clean ab initio, with the absence of organisms of a food poisoning strain, should not pose a problem through subsequent handling. Those samples found substandard at the retail level acquired their bacterial flora during processing. Although counts may increase in some instances, the initial contamination must have been present, since packaging these products for the control of moisture and air, as is the practice, assures against the transfer of external matter to the interior. Studies similar to the foregoing have also been made recently by others. Various microbiological standards or tolerances have been used as the basis for the conclusions which they reached.

TABLE II.—Samples frozen precooked food taken at wholesale

Type product.....	Poultry		Meat		Fish		Shellfish		Chinese type	Total
Total taken.....	30		23		35		31		13	132
	Num-ber	Per-cent ¹	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent
Total count:										
Less than 50,000 col/gm.....	21	70.0	17	73.9	26	74.3	23	74.2	6	46.2
Less than 100,000 col/gm.....	24	80.0	18	78.3	29	82.9	25	80.6	6	46.2
Staphylococcus coagulase Pos.:										
None.....	24	80.0	21	91.3	33	91.7	28	93.3	11	84.6
Less than 100.....	24	80.0	21	91.3	34	94.4	28	93.3	11	84.6
Satisfactory: Less than 100,000 col/gm and staphylococcus: None.....	21	70.0	16	65.2	29	69.6	22	71.0	6	46.2

¹ Indicates percent of total taken.

Canale-Parola and Ordal (4) undertook to determine the bacteriological quality of

² NOTE.—Where term staphylococcus aureus is used it is to be understood to be coagulase positive type.

some commercially prepared precooked frozen foods obtained on the retail market. In a preliminary survey, it was found that poultry pies had a higher degree of bacterial contamination than did other types of precooked frozen food. These workers examined

five brands of turkey and chicken pot pies before and after baking according to the respective manufacturer's directions, and observed, "The microbiological quality of some brands is consistently good whereas the quality of others is to be questioned. As these products contain microorganisms which have a food poisoning potential, manufacturers should exert every effort toward reducing the actual numbers present by inauguration of improved technological and sanitary measures, and by use of strict quality control procedures. Likewise, further consideration should be given to the baking times supplied on each package." These workers reported, "that of the 40 unbaked pies that were tested, 20 had total counts above 100,000 per gram, and 18 had coliform above 10 per gram. Enterococci were present in all the samples tested and coagulase positive staphylococci were detected in 37 of 40 pies tested." Their studies with baked pies disclosed that the heat treatment during baking as directed is generally insufficient to produce a high enough center temperature to cause much if any destruction of the undesirable organisms.

Benarde (3), who studied the penetration of heating, as directed on the package of frozen precooked breaded and fried crab and oyster cakes, found that it was slow and did not reach levels sufficient to destroy pathogens.

Huber (11) and his associates examined 1,282 samples of meat and poultry products and pot pies bought for military use. It was reported that 86 percent of the samples examined, disclosed counts of less than 50,000 per gram. The present bacterial standard for military purchases of frozen precooked food is less than 100,000 per gram. The writers suggest that "if the present trend continues, this maximum may be revised downward in future specifications." Coliform examination of these samples revealed 94 percent to be coliform free or less than 10 per gram. Military specifications also require frozen precooked foods to have a coliform count of less than 10 per gram. It must be borne in mind that products for the military are produced under resident inspection of the U.S. Veterinary Corps and under controlled sanitary conditions.

In its report, the Committee on Frozen Food Standards of the International Association of Milk and Food Sanitarians (5) has not proposed a tolerance for total plate count for frozen precooked foods but points out "it is felt that the contamination of these products by coliform, paracolons, and other members of the gram negative enteric group of organisms is of greater importance. If the coliform test is to be used as an index of quality, then the only acceptable tolerance would be zero."

Rayman (14), reported the bacteriological examination of 231 samples of frozen precooked meats with 91 percent having plate count of less than 50,000 per gram, and stated that, "for the present we feel that a cut-off point can be established at 100,000 as a bacteriological standard which manufacturers could meet without difficulty."

According to Slocum (15) "food borne infections and intoxications have not decreased in recent years as have waterborne and milk borne diseases. Much of the food borne disease probably results from mishandling at the point of consumption. But it may well be that there is more bacterial contamination of foods shipped in interstate commerce than is generally realized."

DISCUSSION

The decrease in water and milk borne diseases can readily be ascribed to the establishment of microbiological standards and methods followed by enforcement. While some may attribute food borne diseases to mishandling at the point of consumption, the poor sanitary quality of some types of frozen

precooked foods as demonstrated by the samples taken at the wholesale distributors level, does not remove these foods from suspicion as capable of producing food infection or intoxication following ingestion.

Logan et al. (13) demonstrated the feasibility of using no new techniques in producing low bacterial count frozen precooked foods on a commercial scale, which is completely acceptable to the consumer. All that was needed was good quality raw material, good sanitation practices, adequate heat treatment and rapid refrigeration.

The results of the bacteriological examination by the Department of Health of the city of New York of 195 frozen precooked food samples are tabulated and compared in table

TABLE III.—Retail samples from New York City judged as satisfactory by 3 different sets of standards

Type of product	Total samples	U.S. Quartermaster Corps standard		Department of Health, New York City administration standard		Litsky's study criteria	
		Number	Percent	Number	Percent	Number	Percent
Poultry.....	37	18	48.6	20	54.0	25	67.6
Meat.....	29	22	75.9	22	75.9	22	75.9
Fish.....	62	49	79.0	52	83.9	58	93.5
Shellfish.....	51	38	74.5	42	83.4	43	84.3
Chinese type.....	16	12	75.0	12	75.0	12	75.0
Total.....	195						

The usual mass production and distributing methods required to provide protection for the general consuming public probably does not permit use of the same standards on a pragmatic basis. However, it is believed that the administrative standards of the Department of Health, of the City of New York as proposed herein offer more than just a mere compromise. These standards are feasible as shown by the high percentage of conformity except for poultry. Control of *Staphylococcus aureus* should in our opinion be incorporated in any set of criteria for frozen precooked foods at the source. Our findings, which disclose a high level of conformity to a standard of no *Staphylococcus aureus* seem to justify the revision of a previous more liberal view (1) to the presence of this type of organism. Of 195 samples taken at retail and 132 at wholesale (total 327) only 32 (9.8 percent) were positive for this organism and were mainly in numbers exceeding 100.

In a review of bacterial food poisoning, Esselen and Levine (8) observe that "although staphylococci are ubiquitous in nature, most investigators agree that outbreaks of staphylococcus food poisoning can be traced to contamination of the food product by discharge of the nose and throat or by lesions on the hands of those who handle or prepare food." These writers state, "meat and meat products have been implicated in many staphylococci food poisoning outbreaks. Most of the outbreaks have been traced to contamination by humans and to improper care of food." Dack (6) reports, "the obvious opportunities for contamination of food through improper handling or accident and irregularities in processing makes staphylococcal food poisoning an acute or potential problem to all industries that handle food in which staphylococci are able to grow."

Gunderson (10), commenting on the need for sanitation standards in production and processing of frozen precooked foods observed, in the case of turkey meat, "I suppose that if we could set the standard at a count less than a hundred thousand (colonies/gm. total plate count) we would have an extremely high goal." Of 26 turkey din-

III using the criteria of the U.S. Quartermaster Corps, (14) Litsky and associates (12) and Department of Health of the city of New York (7).

As previously observed, the standards used by the U.S. Quartermaster Corps afford a more stringent basis for bacterial quality control than either of the two herein cited. Actual compliance with these Quartermaster standards by contractors is facilitated by resident inspection and continuous batch control which is feasible under the arrangements for production and sampling at the source. Adherence to such high standards can be justified by the critical purposes which this convenience food must serve, especially during air flight.

ners and pies examined bacteriologically by the department of health, city of New York 15 (58 percent) conformed to this standard while 16 or (57 percent) of 28 samples of chicken dinners and pies complied. There seems not to be any distinction in sanitary quality between turkey and chicken products from the results of the New York City survey nor much difference from the samples of these products studied by Thatcher (16), wherein 10 out of 18 (56 percent) turkey product samples and 16 out of 25 (60 percent) of these chicken products were acceptable by New York City standards.

In 1957 following an outbreak of food poisoning in the city of New York, involving chicken salad, a study was made to determine the cause and make recommendations for correction of procedures to prevent a recurrence. It was our experience that a cleaner and safer product could be insured by the employment of uncomplicated sanitation procedures. The use of a nontoxic sanitizer on equipment food zones, work surfaces and workers' hands, in addition to terminal heat treatment of hand picked chicken and turkey meat and celery were effective in giving uniformly good bacterial counts and products with good consumer acceptance.

It was found that by placing this hand picked poultry meat in a colander or other perforated vessel, and submerging the contents in boiling chicken or turkey broth for 3 to 5 minutes, followed by draining and rapid cooling of the meat on a perforated pan the bacterial counts are reduced to the order of 4,000 colonies per gram with negative results for coliform, staphylococci and enterococci. The application of this process may well improve the sanitary quality of frozen precooked poultry products without impairing consumer acceptance. The resolution of this problem especially as it relates to poultry products lies in terminal heat treatment as described, or by baking in the case of chicken, turkey or meat pot pies.

RECOMMENDATION

As early at 1947 Fitzgerald (9), in his article on "How to Control the Quality of Frozen Cooked Food," called for a sanitary code for the industry setting forth as a maximum standard a plate count of 100,000

3 Material in parentheses, supplied.

per gram and an E. coli (M.P.N.) index of 100 (confirmed) per 100 grams.

Bacteriological standards are not recommended for all frozen foods at present, but rather for those which because of their nature may be expected to be a hazard of health or a cause of spoilage. Standards have in the past proved to be the mechanism by which the consumer was protected against infection or consumption of spoiled food. These standards provided a means of estimating inadequate sanitation by which general improvement of quality could be obtained. They afforded a goal to the processor and a yardstick to enforcement agencies. Many authorities agree on the need for standards but not on the particular standards which will be of the greatest benefit to all concerned.

At this time when the question of the need and possible nature of legal standards is being debated, large quantities of frozen precooked foods are being sold, particularly poultry products, some of which are of doubtful sanitary quality.

This problem of sanitary standards requires national standards. A Federal agency, such as the Food and Drug Administration of the Department of Health, Education, and Welfare should set standards. Microbiological standards should be developed at the Federal level both for guidance of industry and consumer protection. The divergence concerning proper microbiological standards for control indicates what may happen if local, State and other agencies feel forced each to establish its own standards.

The department of health of the city of New York notified manufacturers of its laboratory findings following the examination of their products.

Manufacturers indicated their concern, their own findings and a desire to abide by the administrative standards of this department. The results of the survey and the comments of manufacturers give promise that these standards can be met. It seems to us that the enactment of similar legal standards would serve to encourage better sanitary practices and control.

SUMMARY AND CONCLUSIONS

In the city of New York a microbiological study was made of 195 samples of frozen precooked foods of nationally known brands, obtained at the retail level. At this level about 76 percent (including poultry products which conform to the extent of 54 percent were found to meet the Department of Health criteria of less than 100,000 colonies per gram and no staphylococcus aureus. Resamples of the same brands of these foods at the wholesale distributors level were found by similar tests to contain essentially the same ratio of acceptable quality products. Poultry products appeared to be of poorer sanitary quality than other foods. Similar studies have been made elsewhere in the United States and Canada using other criteria. When the department of health data were evaluated by the criteria of others, the results were not significantly different.

It has been shown that a high level of sanitation can be met by industry for the military as evidenced by conformity to the former's high microbiological standards. As Huber (11) stated, "this again demonstrates that sanitary quality control can be attained in the commercial production of precooked frozen foods."

A number of workers in the field are impressed with the need for the establishment of a microbiological standard for these foods but are not agreed on the standard.

This is not a local problem but one of national scope and seems to fall logically into the sphere of activity of the U.S. Food and Drug Administration. The standards used in the recent New York City study are recommended for adoption as a starting

point for the improvement of the sanitary quality of frozen precooked foods of the types encompassed by the study.

Unless Federal microbiological standards for frozen precooked foods are soon established there is a great likelihood that various and varying levels of standards will be adopted by local and State agencies which may be of some help to the consumer but may not make it easier for the processor.

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Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield further?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I know that what I am about to say is only indirectly related to the amendment to which the Senator from Illinois has referred. Only a few minutes ago I sent one of my staff assistants to my office to bring back to the Chamber a handful of letters out of the hundreds I have received in the past few days. They are available for one and all to see. They are from farm people of Minnesota and relate to the prices of eggs.

Yesterday I went to a delicatessen in Chevy Chase, Md., and bought 1 dozen of what are called random-sized eggs. They are less than large, not large, not extra large; they were simply what may be called basket selection. The price was 75 cents a dozen.

I have received these letters from some of the finest egg producers in the United States. They are getting 15 cents a dozen for medium-sized eggs in Minnesota; 17 cents a dozen for extra large eggs. Yet in Chevy Chase, Md., for what are called random-sized eggs—those are the ones which are called unclassified eggs—the price is anywhere from 65 cents to 75 cents a dozen. For the extra large egg, the kind which is really worth putting on the plate, they buyer will have to pay 70 cents, 77 cents, or 80 cents a dozen, depending on whether he buys them in a supermarket or in a store which stays open to accommodate the trade on Sunday. At the appropriate time in the debate, I intend to read every one of these letters.

I say to my good city friends, many of whom tell me about how the farmers are gouging the Treasury and the public, here are farm producers who have thousands of dollars invested in barns, equipment, land, feed, and fine poultry stock; and what do they get? As of May 22, they were getting 15 cents a dozen for medium-sized eggs. On May 27, in Minnesota, the second largest egg-producing State in the Union, the price for medium-sized eggs was 17 cents a dozen. For grade A—the best eggs—the price was 19 cents a dozen.

I hope some of our good city friends who are listening today will start asking the question: What happened to the difference between 17 cents and 75 cents? The farm people of Minnesota did not get any of it. By the way, there is not much processing to an egg. The only one who does any processing on the egg is the hen, and she is underpaid. If those prices continue, it will be necessary for Congress to pass humanitarian legislation. It is hardly worth the wear and tear on the hen. It seems to me it is about time something was done to correct the situation.

I saw a picture of Secretary Benson in the New York Times of Saturday, May 30. He was attending a meeting of representatives of the poultry industry of New Jersey. I have been writing to the Secretary about this condition since April 1. He announced to these producers that he planned to do nothing. In the meantime, hundreds of thousands of egg producers have been liquidated.

By the way, let me say to the Government that when they start messing around with egg prices, they do not only take on the men who are engaged in agriculture. I suppose a great many men may be handling eggs; but we are getting right down to the point where we are taking on a new adversary, because, remember, the egg money on the farms is virtually the only money which the farm wife has. It is money she sends to her son in college over and above his allowance. It is the egg money which papers the front room. It is the egg money which the mother sends off to the daughter who has just gotten married. It is extra money which she sends to her daughter.

I warn the Government that it is one thing to try to discriminate against the farmer; but, Ezra, you have got yourself

a basket full of trouble, because the women are beginning to organize.

These are letters from women in Minnesota—charming, lovely, active, intelligent women. But when they get ready to move on you, Ezra, you had better be on their side.

I am of the opinion that they expect the Government to do something else besides talk about how the farmer is being subsidized. Who does the Senator think is being subsidized? The farmer is getting 17 cents a dozen for eggs in Minnesota. Someone around here is paying 75 cents a dozen. What I want to know is: Where did the 58 cents go? I do not think it went to the farmer. I think it is time we found out. If the Department of Agriculture has nothing else to do, I suggest that it begin to investigate and find out what happened to the 58 cents difference between the hen and the counter. That should not be so difficult.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. I understand the leadership plans to have the Senate adjourn early this evening. I wondered if it would be agreeable to the Senator from Georgia to discuss the amendment which I suggested earlier in the afternoon, when the pending business was laid before the Senate. This is the amendment which I have offered:

On page 15, line 25, under "Marketing Service," strike out "\$26,306,600," as reported by the committee, and insert in lieu thereof "\$26,557,515," for the purpose of allowing the budget estimate on marketing services.

The explanation for the amendment lies in the fact that the act of September 2, 1958, which was passed last year in the closing weeks of the session, extended the responsibility of the Department of Agriculture with respect to the Packers and Stockyards Act.

It will be remembered that both the Senate and the House, in their Committees on Agriculture and Judiciary, had given much attention to the problem of the enforcement of the Packers and Stockyards Act. Testimony from the Department of Agriculture showed that for years it had not attempted to enforce the law set forth in title II against the unfair monopolistic trade practices in the operations of packers. The case was so clear that in the Senate both the Committee on the Judiciary and the Committee on Agriculture and Forestry approved the Senate bill. That bill went to the House. The House Committee on Agriculture had already gone to work on the problem and had reported the Cooley bill. There was no time for any further action. The Cooley bill was sent to the Senate, while the Senate bill was sent to the House. Because the Senate was moving to final action on the bill, the Senator from Illinois [Mr. DIRKSEN], the distinguished minority leader, and I joined in moving that the Senate pass the House bill; and the House bill was passed by the Senate.

The House Appropriations Committee, in passing upon this request of the Department of Agriculture, which now

wishes to enforce the packers title of the Packers and Stockyards Act, as well as the stockyards title, made the statement which appears on page 20 of the House committee report, as follows:

Changes in the Packers and Stockyards Act adopted in the last session of Congress brought all livestock transactions in interstate commerce, regardless of the size of the market, under the supervision of the Department. This has increased the number of yards subject to the Act from about 1,000 to 2,100. In order to enable the Department to meet this added responsibility, the increase of \$250,000 is provided for this year.

That paragraph clearly omits any reference whatsoever to the packer phase of the activity. I wished to call the attention of the chairman of the subcommittee and of the other members of the Subcommittee on Agricultural Appropriations to the fact that on page 1083 of the Senate committee hearings there appears a presentation by the Department of Agriculture of the justification for the increase of \$493,000, which it requested, but which the House allowed in the amount of only \$250,000. The Senate committee adopted the House action.

In the second paragraph, under the heading "Justification", there appears the following:

The \$493,000 increase proposed in the 1960 budget estimate did not reflect the full amount necessary to carry out the mandatory provisions of this law including the increased responsibilities imposed by the recent amendment. The 1960 budget was limited to an estimate of what is urgently needed and reasonably could be done in that fiscal year in terms of (1) expanded supervision of posted yards, and (2) investigation of unfair trade practices.

The language of the House committee report and the action of the Senate committee in adopting the exact figure voted by the House will be interpreted as a limitation and an exclusion from the power of the Secretary to conduct the investigations of unfair trade practices.

Observe the next paragraph of the justification:

Around one-half of the \$493,000 requested increase was for extending the program to posting and supervising additional markets and yards, including trade practices at such yards. The balance of the request—

And this is the important language—was for continuing the increased emphasis on investigations of trade practices of packers which has been the subject of intensive congressional discussions in the past few years, and which the Department considers to be an urgent matter.

An examination of the hearings held by the Senate Judiciary Committee and by the Senate Committee on Agriculture and Forestry will show that although the Department of Agriculture acknowledged that the enforcement provisions of the Packers and Stockyards Act had not been carried out against the packers by the Department of Agriculture, it never had received the appropriations necessary in order to do it. The Department was criticized because it did not enforce the law against the unfair trade practices and monopolistic practices. The Department's excuse was that it did not have the necessary funds.

So, Mr. President, if Congress does not now give the Department the necessary funds, that will only mean that enforcement of the antitrust laws—as favored by the Senate and as favored by the House, in their respective legislative enactments—will not be carried out.

Therefore, Mr. President, I believe that the distinguished chairman of the Agricultural Appropriations Subcommittee should be willing to accept the amendment and to discuss it in conference.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Wyoming yield to me?

Mr. O'MAHONEY. I yield.

Mr. YOUNG of North Dakota. If I had recalled, as does the Senator from Wyoming, the problem we have had in the past, I would have worked in the committee to increase the appropriation.

I think the House action does put a limitation on the Department of Agriculture. We have been accusing the Department of Agriculture of not enforcing this law. If we deny the Department the necessary funds, no doubt the Department would have a real excuse not to enforce this law.

So I believe we should either increase this appropriation or we should put the enforcement under the Federal Trade Commission, as was proposed last year.

Mr. RUSSELL. Mr. President, I have great sympathy for the view of the distinguished Senator from Wyoming [Mr. O'MAHONEY] and for the view of the ranking Republican member of the Agricultural Appropriations Subcommittee, the Senator from North Dakota [Mr. YOUNG]. Certainly it seems to me that some provision should be made for the investigation of the trade practices of packers, as urged so eloquently by the Senator from Wyoming.

However, I am frank to say that I am not so impressed with the necessity for posting all the smaller stockyards throughout the country, perhaps because I have some knowledge of the activities of the smaller yards, although I am not so intimately acquainted with the activities of the packers.

I should like to help in any way I possibly can, to see to it that the Department has the necessary funds and authority to investigate the trade practices of the packers. But I should dislike to have that accomplished by means of the wasteful expedient of allowing the full amount of the budget estimate, because I frankly do not think the posting of the stockyards in the smaller areas is at all essential.

Mr. O'MAHONEY. Of course the posting of the smaller stockyards is not essential. But it is essential, in the interest of the producers of livestock and in the interest of the consumers of livestock, that in the administration of the Packers and Stockyards Act, unfair trade practices be scrutinized very carefully.

Mr. RUSSELL. I agree as to that; and I am perfectly willing to accept an amendment which would apply the \$250,000 to that purpose.

Mr. O'MAHONEY. Then why does not the Senator from Georgia accept the amendment and take it to conference.

where the conferees can work out the matter, so it will be clear that the inclusion is to cover the entire jurisdiction of the Department of Agriculture.

Let me say to the Senator from Georgia, before he replies, that I hold in my hand the report made by Representative COOLEY, chairman of the House Committee on Agriculture, which was filed by him to accompany House bill 9020, an amendment to the Packers and Stockyards Act, which the Senate passed, and which is now the law.

In the second paragraph of the report we find the following:

The Packers and Stockyards Act was enacted by Congress in 1921. The primary purpose of this act is to assure fair competition and fair trade practices in livestock marketing and in the meatpacking industry.

There is the House declaration in the House report of what the intention was.

On page 4 of the same report, under the heading "Changes Made by this Bill," I find this sentence:

It is designed to amend the Packers and Stockyards Act so as to make it once again an effective instrumentality for the regulation of the livestock and meatpacking industry and for the protection of both producers and consumers.

I may say to the Senator from Georgia that when the Judiciary Committee of this body, after extensive hearings upon this matter, made its favorable report on an amendment to the law, and when that report, in turn, was submitted to the legislative Committee on Agriculture and Forestry, and that committee endorsed the bill, and the Senate then adopted the recommendation of those two legislative committees, it is a forceful statement of the opinion of this body that the meat packers section, title 2, of the Packers and Stockyards Act should be enforced.

Mr. RUSSELL. The distinguished Senator from Wyoming is always forceful. I can assure him I am not undertaking to challenge the statement he makes or the conclusions of the Judiciary Committee or of the Committee on Agriculture and Forestry.

Mr. O'MAHONEY. I appreciate that.

Mr. RUSSELL. I am merely referring to the fact that the appropriation has been increased very rapidly during the past few years, and I think we can put in the bill language which will earmark not less than \$250,000 of the increase for the study of these practices and at the same time save \$243,000. I agree that is a small amount of money, and perhaps the Senator from Georgia ought not even cavil or discuss such a small amount with one he holds in such esteem as he does the Senator from Wyoming. But let me point out that in 1956 the amount appropriated for this purpose was \$652,105. In 1957 it was increased to \$774,566.

Mr. O'MAHONEY. Is the Senator from Georgia aware of the fact that a Secretary of Agriculture by the name of Jardine many years ago deliberately issued an order by which the enforcement of the act by the Department of Agriculture was stopped?

Mr. RUSSELL. I was trying to give to the Senator the figures showing how this appropriation had been increased.

In 1958 the Senate increased the amount by \$105,000, to \$879,500.

In 1959 the amount went to \$940,149. The amount now in the bill is \$1,327,000. It is a very substantial increase over the appropriations which have been granted heretofore. We have increased these appropriations right along.

I think we would be in a better position, I may say to my distinguished friend, to go into conference with the other body and say, "The trade practices of the packers never have been investigated. Congress passed a law. Therefore, we have provided that not less than \$250,000 of this increase shall be used for that purpose."

That would come nearer to getting the job done than would merely increasing the amount by the whole \$500,000, because, I may say, the House at times entertains the ungenerous sentiment that the Senate is entirely too prodigal in spending money for activities of which it does not approve. The Senate might fare better eventually in this item by putting in the bill language which earmarked the \$250,000 for this purpose.

Mr. O'MAHONEY. I appreciate what the Senator has to say about the conference between the House and the Senate in matters of this kind, but I am very fearful that the suggestion which he makes would result in curtailing the posting of stockyards which ought to be posted, and would not produce an effective enforcement against unfair trade practices.

My suggestion to the Senator was based upon the thought that if he took the figure to conference, then the two Houses might agree in conference upon a proper figure in which both of these activities would be given equal consideration. If the Senator is not willing to accept the \$250,000 figure which I offered merely because it was in the budget, what would the Senator say to an increase of \$150,000?

Mr. RUSSELL. I do not like to be compelled to horse trade with my distinguished friend from Wyoming, but if the Senator from Wyoming knew how long and arduously the Senator from Georgia had labored to keep this bill \$5,859,000 under the budget estimate, he would appreciate the fact that the budget had to be trimmed somewhere.

Mr. O'MAHONEY. I know that.

Mr. RUSSELL. But to show my great esteem for the Senator from Wyoming and to assure him that I will endeavor to see that some funds are available to carry on a satisfactory investigation of trade practices of packers, the Senator from Georgia would be willing to be overpersuaded to the extent of \$120,000 over and above the committee figure.

Mr. O'MAHONEY. The offer is taken.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Ohio.

Mr. LAUSCHE. I listened with interest to the discussion between the Senator from Georgia and the Senator from Illinois—

Mr. O'MAHONEY. Mr. President, will the Senator pardon me?

Mr. LAUSCHE. The Senator from Georgia may withdraw the acceptance

of the proposal of the Senator from Wyoming.

Mr. RUSSELL. No; I do not do that. Mr. O'MAHONEY. If the Senator from Georgia will yield, Mr. President, I ask to change my amendment so that instead of an increase of \$250,000, the increase will be \$120,000, as suggested by the Senator from Georgia.

The PRESIDING OFFICER. The Chair may inform the Senator from Wyoming that there is before the Senate an amendment pending, which has been offered by the Senator from Delaware [Mr. WILLIAMS]. It would not be in order at this time to take up the amendment of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, my amendment has not been printed, so, since action on the bill will not be completed tonight, I will have my amendment printed in its modified form. So I shall not ask for action at this time upon the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield first to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Georgia made the statement that the borrowing power of the Commodity Credit Corporation would have to be increased. Would the Senator from Georgia explain why it would have to be increased?

Mr. RUSSELL. I do not mean by that statement that there is any compulsion to do so. Congress can refuse to increase it. However, under the farm program as it stands, the Bureau of the Budget has stated that under the present support program it will be necessary to increase the borrowing authority during the next year in order to have adequate funds to lend on the commodities which will be produced. I am sure the distinguished Senator heard the discussion as to the probable increase in the quantity of corn, as an example of one of the crops on which loans will be required.

Mr. LAUSCHE. What is the borrowing power now?

Mr. RUSSELL. My recollection is that it is now \$14,500 million.

Mr. LAUSCHE. With that \$14,500 million limitation, the Corporation would not have enough funds to lend and to finance the transactions which will be necessary under the increased production which will take place in 1960?

Mr. RUSSELL. That was the finding of the Department and of the Bureau of the Budget, according to my information.

Mr. LAUSCHE. By how much has it been suggested the borrowing power will have to be increased?

Mr. RUSSELL. To date there has not been announced any specific amount.

Mr. LAUSCHE. Then the need for increasing the borrowing power has a relationship to the fact that we will have about \$11 billion worth of surplus foods in the bins and storage houses in 1960.

Mr. RUSSELL. Food and fiber.

Mr. LAUSCHE. Yes. It does have a relationship.

Mr. RUSSELL. It does. I will say that the purposes of the support program have been somewhat twisted.

For example, we passed a bill last year in which we provided two different loan values on the same commodity. Of course, when one becomes involved in something like that the higher loan value is obviously a form of subsidy to the borrowers who conform to a certain program announced by the Department of Agriculture.

The purposes of the farm support program, which, originally, were to maintain all prices at a certain level, have been largely abandoned, I will say to the distinguished Senator, in the face of these surplus accumulations.

Mr. LAUSCHE. I understood the Senator from Georgia to say that in his opinion the price support program has practically reached such a magnitude that it has run away from the possibility of being controlled in an intelligent and reasonable manner.

Mr. RUSSELL. Whatever may be the reason—whether it be administration; the advances of science, as some claim; the beneficence of heaven in providing good weather, as still others claim; the maladministration of Ezra Taft Benson, as a great many people think—the farm support program is certainly all out of hand. I think that is the statement the Senator from Georgia made.

Mr. LAUSCHE. I ask the Senator from Georgia to refer to the document issued by the U.S. Department of Agriculture which shows the aggregate cost of the price support program to be \$15,725,000,000, with some Public Law 480 items and other items in it, as the Senator from North Dakota [Mr. Young] has suggested.

I invite the attention of the Senator from Georgia to the years 1942, 1943, and 1944, years of World War II. I notice we had a price support program of \$619,000,000 in 1942. That is the total figure shown at the bottom for 1942.

Mr. RUSSELL. Yes.

Mr. LAUSCHE. Is the Senator able to tell me why we had a price support program during the war years which cost us money, when we did not have enough food for the public to buy? Why was the price support program in force at that time?

Mr. RUSSELL. I can give the Senator my recollection. I think it was because we had a price ceiling on foods. Foods could not sell for more than a certain price, and we had price controls at that time. In order to maintain the level of the price controls, or the ceilings which had been imposed by law, these funds were used to make subsidy payments to the farmers, so as to get the farmers to produce and to sell below the price which they would otherwise have received, and thus to hold the line on the wage scale.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. The program applied to the dairy commodities and to pork. The farmers were given subsidy payments, but really it was a subsidy to the consumers.

I think the Senator from New Mexico [Mr. ANDERSON] could explain it better than anyone else.

Mr. LAUSCHE. During the war years the subsidies were paid to influence the farmers, or to induce the farmers to plant and grow crops.

Mr. RUSSELL. In the case of certain commodities, largely dairy products but also meats to a degree, that was true. The Senator from New Mexico [Mr. ANDERSON] knows a great deal about this subject.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ANDERSON. This money was not only used for the purposes mentioned, but also was used to direct the production of certain crops.

The very first item was to direct the farmers away from the production of cotton into the production of soybeans. Afterward people said, "You farmers did not plant cotton," but the cotton was not planted because there was a response to the patriotic appeal to plant soybeans.

Mr. RUSSELL. The farmers were paid, I believe, some subsidies for flax and ramie and products in short supply when the ordinary markets were closed to us. These subsidies were to induce the production of commodities necessary for the war effort.

Mr. ANDERSON. Mr. President will the Senator yield again briefly?

Mr. RUSSELL. I yield.

Mr. ANDERSON. The Senator has mentioned flax. As a matter of fact, it became my responsibility to try to get some linseed oil from Argentina. It was an impossible situation, and Argentina would not do a thing about it. We appealed to the American farmers to produce flax in unprecedented quantities. We fixed the support price at \$6.25, I believe, though it might have been \$5.75. In any event, the price was sufficiently high so that there was a tremendous production of flax, and immediately the doors of Argentina opened and quantities became available to supply the linseed oil for the industries of this country.

The subsidy program in many ways reduced other costs. For example, linoleum prices would have been much higher if it had not been for the production of the flax for the linseed oil. The cost of paint would have been higher. We got a great deal of help from this program in holding the price line for many other commodities. The farmers were charged with the cost of it, but the farmers did not get all of the money.

Mr. RUSSELL. It was a consumer subsidy as a part of the overall war effort, to preserve the level of prices at the time we froze prices by law.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LAUSCHE. I should like to ask the Senator from Georgia if I am correct in my understanding that under the present appropriation bill the general citizenry, the taxpayers of the United States, should expect no relief from the huge cost of the subsidy program, as envisioned either by the Congress or by the Department of Agriculture?

Mr. RUSSELL. Mr. President, I do not know that I said exactly that. I said that if the existing laws remain on the

books and if the present policies are followed I see no hope of ever reducing these costs.

For example, there has been mention of corn. The amount of corn which the Government will have under loan this fall, in my opinion, will be staggering. An immense sum of money will be involved. What will we do with the corn? If the corn is used for feed, it will bring down the price of pork, beef, and poultry products. The prices of poultry have gone so low in the past few weeks that it would be difficult to get them any lower.

My statement is predicated on the assumption that there will be no change in the present laws or in the policies which obtain at the present time in the Department of Agriculture.

Mr. LAUSCHE. The appropriations recommended are based upon the assumption that neither the Department of Agriculture nor the Congress will do anything to bring down the cost to the taxpayers of this huge program of price supports?

Mr. RUSSELL. I will say to the Senator from Ohio, the figures we have presented are based on estimates of losses already incurred. My statement was that I feared the losses would be as great or greater next year, if there is no change in the policies.

Mr. LAUSCHE. The prospects are that the losses will be greater?

Mr. RUSSELL. Yes. That will be true in the case of wheat. It will be true in the case of corn. I fear it will be true in the case of cotton under the split-price system to which we have agreed.

Mr. LAUSCHE. Based upon his broad experience, does the Senator from Georgia feel that it is a narrow estimate of the surplus or a liberal one, when we say there will be \$11 billion worth in the bins in 1960? Is that a conservative or liberal approach, in the Senator's opinion?

Mr. RUSSELL. Of course, there are so many imponderables, such as weather and many other things, it is impossible to say. If we have a good crop year, I think the surplus in 1960 will be staggering. That is my own judgment.

Mr. LAUSCHE. Yes. I will ask the Senator from Georgia a further question, and then I shall be through.

Mr. RUSSELL. The surpluses are already staggering, but they will be almost beyond comprehension.

Mr. LAUSCHE. Yes. When we had acreage controls with high supports, did we solve the problem at all by that program of subsidy?

Mr. RUSSELL. Mr. President, I know of no way one could answer that question categorically with any assurance of being correct. It has always been my view that if supports were kept at a reasonable level—which might be considered high by some persons—then, by reducing production something could be done to maintain farm income, and to make supplies available at a reasonable cost. The cost of the raw commodity in this day of fancy processing is a very small element in the final cost of almost any commodity when it gets into the hands of the consumer.

The difficulty, as I see it, has been the unwillingness of Secretary Benson to try any program but his program, which looks to the elimination of all price supports.

We passed a bill which provided for trying out a new program for wheat, which program, whether it worked or not, would be of some benefit. There would not have been a great deal of stored wheat under that program. We are spending \$1 billion a year for storage alone.

Mr. YOUNG of North Dakota. And interest and carrying charges.

Mr. RUSSELL. That is a great deal of money to pay for handling, storage, and interest—carrying charges.

Mr. LAUSCHE. That is \$3 million a day.

Mr. RUSSELL. Yes; \$3 million a day for carrying charges and storage.

We tried to apply a two-price system to wheat. There was nothing particularly new about it. We went back to what was known as the old McNary-Haugen bill of 30 years ago or more. It was substantially the same. It was projected on the same philosophy. There were many little nuances and differences in application, but, fundamentally, it was the old McNary-Haugen domestic allotment and export debenture plan.

But that bill was vetoed. The administration and the Department of Agriculture have not been willing to accept a thing unless it looked to the fulfillment of Mr. Benson's idea of no supports, and turning the farmer loose, as he says. That is where we get into controversy. The farmer can afford to be turned loose better than anyone else in the economy, if we turn everyone else loose at the same time. But he cannot exist in a world of artificiality in every other phase of our economic life if he is the only man who is turned loose. That means he is in the squeeze.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LAUSCHE. I am grateful to the Senator from Georgia for his replies to the questions which I asked.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield before proceeding to another subject?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. The Senator from Ohio left the impression that the Government would have about \$11 billion worth of grain in its bins. That is the total amount of the loans, many of which have been paid. The greatest carryover of wheat that is expected is 1,300 million bushels. The corn carryover this year would be about the same amount, together with some other grains.

Mr. RUSSELL. There is some cotton involved, also.

Mr. YOUNG of North Dakota. As the Senator from Ohio says, there is about \$11 billion worth of grain in the bins.

Mr. LAUSCHE. But that is a potential cost if the farmer decides to abandon it as a loan, and to let the Government become the purchaser.

Mr. YOUNG of North Dakota. That would be true if none of the loans were

redeemed. A large percentage of them are. The Government would not have anywhere near that amount of grain in default.

Mr. LAUSCHE. I cannot help but feel rather strongly that, after 25 years of the efforts of Congress, by controls planned to be diverse, but in the end being in principle identical, we have failed to solve this problem. It was contended that by means of controls a balance would be developed between reasonable consumption and production. After 25 years of experience, today we are in a worse position than we were when we started.

The Senator from Florida [Mr. HOLLAND] has made the statement that all the programs have worked substantially well except the price support program. I recognize that we cannot suddenly pull out, but I am also firmly of the opinion that we cannot continue to subsidize to the extent we have been subsidizing without producing ill results.

I have listened to such statements as, "Let us work on the problem. We will come up with something." We have worked for 25 years, and nothing has come from our efforts. We are sinking deeper and deeper into the mire. I agree with the Senator from Georgia; since we are subsidizing the merchant marine, the airlines, the metal producers, and the truckers on the highways—and the railroads are now asking for a subsidy—I suppose we must subsidize all up and down the line.

I was at the airport in Cleveland on Friday morning. The Supervisor of Limousines said, "Senator, I want you to do something for me." I said, "What is it?" He said, "I want you to get the Congress to pass a subsidy for limousine supervisors, but for no one else."

That statement was far graver to me than it was to him. There was this little man, with his uniform and his taxicab director's cap. He is beginning to say, "You are subsidizing every one else." He as much as said, "I am paying the bill."

From the standpoint of Ohio, the farmers are sick and tired of the Congress trying to tell them, "We have the Utopia. We will provide the formula." We have tried for 25 years, and we have produced nothing. We are worse off than when we started.

I thank the Senator from Georgia. I know of his deep interest in creating stable economic conditions. My remarks are not directed at him, because I know of his legitimate and honest objective in trying to establish stable government.

Mr. RUSSELL. I am sure the Senator's remark was not directed at me when he made his eloquent statement about the Congress promising the farmers utopia. I was completely exculpated. I have never promised them utopia. I have never known where to find it in the farm program. However, I think it behooves us to try to see that the farmer enjoys some of the blessings of this modern-day civilization.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. I can understand the concern of many people over the cost of the programs and how they are being operated. Some of them are not operating as successfully as they should. However, the alternative of no price support program whatever would be immeasurably worse. We would have a bankrupt agriculture today if it were not for these programs. Until we find a better means of assuring some semblance of fair prices to the farmers of America, we would be doing a disservice to all the people of the country if we were to let this important segment of our economy lose its purchasing power, as happened only a few years ago.

Mr. RUSSELL. Mr. President, I do not desire to prolong this debate unnecessarily. The Senator from North Dakota is exactly right.

Whatever our difficulties may be, our country is the only country in the world which is struggling with the problem of too much to eat and too much to wear. We should thank God that we alone, of all the countries of the world, do not have the problem of too little to eat and too little to wear. We have a very grave problem today. We are indeed fortunate in having too much to eat and too much to wear, rather than having to face the problem with naked backs and empty bellies.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I wish to salute the Senator from Georgia for his statement. I have often thought that as we complain about the abundance of our great agricultural economy, and sometimes register public criticism, we should think of what Mr. Khrushchev would do with such an abundance. The aim, the hope, and the ambition of the Soviet leaders and of the leaders of Communist China is to be able to design an agricultural economy which will come even close to approximating the agricultural abundance of the United States. The one thing in which the Soviet leaders must always admit they are behind the United States is agricultural production. Our problem, apparently, is the abundance of our farm production.

I am of the opinion that that abundance can be well used if we design the proper programs for oversea utilization and for utilization here at home. I see on the floor the Senator from Kentucky [Mr. COOPER]. He comes from a State which has been beset with grave problems because of difficulties in the coal industry. The two distinguished Senators from West Virginia have addressed the Senate again and again about the problem of the needy people in their State.

Perhaps some day—and I hope it will be in this session—we will adopt a food stamp plan, so that an American citizen who, through no fault of his own, finds himself incapable of meeting some of his immediate needs in providing for his family, can walk into a grocery store and have made available to him our abundant agricultural production, through the use of food stamps, and in that way can take home to his family

some of the products about which we complain, but processed and ready for use.

That can be done. However, what happens when we propose such plans or introduce bills providing for such plans? What happens in the Department of Agriculture and in the Bureau of the Budget? The word comes down, "No." They run the mimeograph machines and complain about the abundance. They never turn on the brains and figure out how to use the abundance.

I do not mind an administration which puts on the stop light or the go light. I complain about the amber light—that period betwixt and between—which shows that the administration has not made up its mind as to what it wants in an agricultural policy, except to say, "Let things get worse." That they are, Mr. President. Thank goodness we have some programs in effect.

I see on the floor the Senator from North Dakota [Mr. YOUNG]. He has been one of those who have favored a sound policy. Had the administration listened to his advice about wheat, cereal grains, and feed grains, and if it had listened to the voices of some of the rest of us as to other commodities, in my opinion, the situation would be considerably better for the taxpayers and for the consuming public.

Speaking of the consuming public, I should like to say that if the present trend continues, with fewer farmers on the land and fewer farms, and with more absentee ownership and more corporate farms, the day is not far distant when the American consumer will be faced with a kind of factory farms with hired hands, and when Mr. Hoffa and others will move forward and organize the farm hands. When that day comes I can see editors and editorial writers—and I say this most respectfully—who have a little difficulty differentiating between a petunia and a good field of corn, saying, "If only we had the good old days back again, when we had the family farm."

I say that because if conditions continue as they are there will be more processing companies. That is the situation today in the poultry industry. The poultry feed industry now has control over farmers as though they were hired hands. Thousands and thousands of birds on the huge poultry farms and on egg farms are controlled by them, and the farmer owns nothing, apparently, but the privilege, if we can call it that, or the right of raising the chickens. The feed is brought in, and the farmer does not own the chickens, and he does not own the eggs. He is a hired hand on his own farm.

I do not like that condition. It is not in the pattern of American agriculture. More of that will produce not lower consumer prices but higher consumer prices by far. It will change the pattern of the American countryside. I am thinking of towns in North Dakota which the Senator from North Dakota and I know, and some towns in Minnesota that he and I know, where there are schools and churches and Main Streets and baseball parks and small clubs. Those little

towns are the heartlands of America. In some cases those towns have become ghost towns. I know of literally hundreds of farm families, right around one of our cities in Minnesota, who have left the land, and farms are becoming bigger and bigger units, with fewer and fewer farmers.

I say to my friends who are on Main Street that that is the situation with which we are confronted. I ask them: Who is going to buy the merchandise, who is going to support the school? Who is going to take care of the churches? Who is going to support the community clubs?

Oh, Mr. President, apparently everybody is going to move to Cleveland, to Minneapolis, to Chicago, to Buffalo, or to Rochester—I say that to the Presiding Officer [Mr. KEATING in the chair]—or to Louisville. However, I should like to point out that the problems for the cities grow worse and worse. Financing become more difficult. Sanitation and police protection become more difficult. Juvenile delinquency problems increase, so far as the younger element is concerned, and the problem of jobs for the older people becomes more difficult. All that some people can think of is, "Well, the farmers ought to be more efficient." Apparently we have made them so efficient that the inefficient Department of Agriculture does not know what to do about the problem. A good farm program can do something about it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG of North Dakota. I appreciate the comments of the Senator from Minnesota. He is absolutely correct. The farmers are receiving less today for their basic commodities—wheat, corn, cotton, dairy products, and almost everything they produce—than they did 10 years ago. That is something that I am sure few consumers realize, namely, that the farmer is receiving far less today for all these commodities than he received 10 years ago. I do not know of any industrial producer who is receiving less today than he did 10 years ago.

Mr. HUMPHREY. The Senator knows that whenever we read about farmers today, we read about someone getting a price support loan of \$250,000, or something like that; or about someone putting his cousin's golf course under the soil bank. Of course there will always be a few thieves. There will always be those who will disobey the law. However, they are not the general run. There are always some who want some special privileges.

We do not condemn the entire banking structure of the country—the independent banker, the small banker in our hometown—because a big bank has pulled a fast deal. A few of them have, of course. We are proud of our banking system.

We do not condemn the whole business structure of America because there happen to be some pretty big businesses, and because some of them take advantage of the market, for example,

I wonder why Members of Congress are not so irate at some airplane companies for overcharging the Federal Government on defense planes as they are about some farmer getting an overpayment. It is interesting that the General Accounting Office should reveal that some of the large manufacturing establishments have actually overcharged the Government of the United States. When such a revelation is made, hardly a ripple goes through Congress. However, if a farmer leases his land under the soil bank, and gets a large payment, it becomes the subject of a great big investigation.

I hope Senators will not misunderstand me. That is wrong. An overpayment is wrong. I certainly do not wish to justify any wrongs. I do not justify one wrong because someone else does another wrong. All I am asking is that we take the same look at the agricultural program. By and large, without the program, bad as it is, the situation would be incredibly worse.

Mr. COOPER. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. RUSSELL. I do not object to the Senator sending his amendment to the desk. I understand that the pending amendment is the amendment offered by the Senator from Delaware [Mr. WILLIAMS.]

The PRESIDING OFFICER. The pending amendment is the amendment offered by the Senator from Delaware.

Mr. COOPER. I send my amendment to the desk and ask to have it printed, together with the statement, attached to it, which is a justification of the amendment. That statement appears at pages 1087 and 1088 of the hearings.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table; and, without objection, the statement will be printed in the RECORD.

The statement, ordered to be printed in the RECORD, is as follows:

FOREIGN AGRICULTURAL SERVICE SALARIES AND EXPENSES

"The budget estimate provides a total of \$7,421,300 for the operation of this activity during the coming year. Of this amount, \$4,268,300 is requested as a direct appropriation and \$2,593,000 is requested as a transfer from section 32 funds. In addition, the use of \$560,000 is foreign currencies derived from sales under Public Law 480 is proposed.

"The committee recommends total funds for fiscal year 1960 of \$7,321,300. Of this amount, \$3,518,300 is provided by direct appropriation, \$2,493,000 is provided by transfer from section 32, and \$1,310,000 is provided from Public Law 480 local currencies. Since local currencies are now available in large amounts, the committee feels that they should be used for a greater part of expenses of the Foreign Agricultural Service operations than heretofore" (House Rept. (p. 21)).

JUSTIFICATION

Use of foreign currencies in lieu of appropriated dollars: The House action in reducing the estimate for appropriated dollars by \$750,000 and increasing the limitation on foreign currencies by \$750,000 proposes the use of foreign currencies for expenditures which as a practical matter can only be made in dollars. The Department is in agreement with the principle of utilizing foreign cur-

rencies to the maximum extent practicable. However, when the necessary requirements of the Service are considered along with the currencies which are available in particular countries, the use of currencies to the extent contemplated by the House action would be impracticable.

This is illustrated by the following:

1. Only 31 of the 53 foreign posts are located in countries having Public Law 480 agreements. In several of these countries the agreements were in small amounts and currencies have all been utilized. In some others the amounts available are not sufficient to carry programs beyond 1930.

2. The foreign funds provided for market development under section 104(a) of Public Law 480 amount to less than 2 percent of the total receipts of foreign currencies resulting from the sale of surplus commodities under title I on Public Law 480. All available funds have been allocated in some countries, where market development work can be most effective. Uses by other agencies are taking all of the funds in some other countries. For example, in section 104(h) Congress gave the Secretary of State a priority in each country for funds up to \$1 million a year for a period of up to 5 years for the international exchange program. In several countries where large amounts of funds are available, only limited market development activities or other agricultural attaché work is feasible at this time, for example: Indonesia, Yugoslavia, and Poland.

3. Foreign currencies can be used for only a limited part of the needs of the Service. To use foreign currencies for other costs would reduce the effectiveness of the operation by limiting the areas in which work can be done or by limiting the conditions under which it could be carried out. Foreign currencies are not "available in large amounts" to FAS in most of the countries in which the work is carried out.

4. If the foreign currencies authorized cannot be made available in countries where they can be used, a serious situation would develop which could not be met without further action by the Congress.

5. The increasing use of foreign currencies seriously complicates administration and increases administrative costs. Using a different currency in each country with constantly changing rates of exchange and with varying acceptability for payment of obligations, imposes serious and costly administrative problems.

ADDRESS BY SUPREME COURT JUSTICE WILLIAM O. DOUGLAS ON MISCONCEPTION OF THE JUDICIAL FUNCTION AND THE RESPONSIBILITY OF THE BAR

Mr. HUMPHREY. Mr. President, one of the most articulate and forthright defenders of our civil liberties as guaranteed to us in the Constitution of the United States is Supreme Court Justice William O. Douglas. His speeches, his writings, and most important of all, his great decisions on questions of civil liberties, have been an inspiration to all of us who cherish our American freedoms.

In view of the attacks which have been taking place in the past several months on the U.S. Supreme Court and on its decisions, I think it is well that we take a good, hard look at exactly what is the role of the Supreme Court under our form of government. Justice Douglas in his recent speech at the Columbia University Law Review dinner attempted to do just that.

I ask unanimous consent that Justice Douglas' excellent address, as it was pub-

lished in the Columbia Law Review of February 1959, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD. (See exhibit 1.)

Mr. HUMPHREY. Mr. President, I wish to note one paragraph in particular of Justice Douglas' fine speech:

Faith in America is faith in her free institutions or it is nothing. The Constitution we adopted launched a daring and bold experiment. Under that compact we agreed to tolerate even ideas we despise. We also agreed never to prosecute people merely for their ideas or beliefs.

It would be well, in my judgment, for those who have made such vicious attacks upon the Court to make a careful study of these words of Justice Douglas:

EXHIBIT 1

ON MISCONCEPTION OF THE JUDICIAL FUNCTION AND THE RESPONSIBILITY OF THE BAR

(Justice William O. Douglas¹)

While being interviewed recently by students in Washington, D.C., I was asked by a serious looking young man: "What is the attitude of the Court these days toward labor?" I was rather surprised by the question since it seemed to assume that judges sit not to dispense justice but to administer their prejudices.

Any American court is supposed to be pro-1st amendment, pro-4th amendment, pro-5th amendment, pro-14th amendment, and so on, for it is the Constitution that judges are sworn to defend. But it is somewhat shocking to hear that American judges are expected to be pro or against anyone who stands before them for justice.

The legislature of course passes laws that favor or disfavor certain groups. Judges who enforce these laws according to their terms, however, can not fairly have attributed to them the partiality of those who passed the laws. It is the very essence of a government of laws that the predilections of judges not carry the day, and that the law as written by the lawmakers be applied equally to all. This I had assumed to be elementary. I had likewise assumed that the provision of our Constitution have the same scope for everyone. But after being questioned by the young student and after reading some commentators who proclaim that at least in security cases the courts should use an abbreviated form of due process of law, I wonder whether the hysteria of a few has not made new demands on us. I recall Hutheesing's description of a trial of so-called counterrevolutionaries in Communist China.² The victims stood with their eyes to the ground and their hands behind their backs. Long streamers hung over their shoulders proclaiming them to be criminals and traitors. The prosecutor's address was interrupted by the crowd which clamored for retribution. When the prosecutor finished the people shouted for the blood of the victims. They even threw eggs, tomatoes, and stones at the accused. And the defendants were given no chance to reply to the charges. The governing principle was that those whom the public condemns the judges should execute. Certainly, that is not the kind of justice America wants even when the courts deal with people as despised here as "counterrevolutionaries" are despised in Communist lands.

¹ Associate Justice, Supreme Court of the United States. This article is based on an address prepared for delivery at the annual banquet of the Columbia Law Review on April 3, 1959.

² Hutheesing, "The Great Peace," 201-203 (1953).

Early in our history, John Marshall, presiding over the trial of Aaron Burr, deplored "any attempt * * * to prejudice the public judgment, and to try any person * * * by public feelings, which may be and often are artificially excited against the innocent as well as the guilty. * * * A practice not less dangerous than it is criminal. * * * This is a lesson in Americanism that needs to be taught many times over.

It is difficult at times for people to realize that the despised minorities in our midst are entitled to equal justice under law. It is easy to take the accusation as the proof and to condemn without more those who are charged with such unspeakable crimes as sedition or espionage. Yet we know from experience that if shortcuts are taken as to some citizens, a precedent is established which lowers the moral tone of the law and degrades it. Other minorities become the next victims as the breakdown in our safeguards and guarantees continues.

These safeguards and guarantees are designed to protect the citizen not only against mobs, but against government itself. Procedural due process gives protection to the citizen against overreaching officials. Abuse of power by government is an ancient evil. Those who drafted the Constitution and Bill of Rights had personal experience with attorneys general, public prosecutors, and even judges who were willing to take shortcuts to carry out the will of a king. They knew as well that a majority in a democratic society could be as tyrannical as any king. Our procedural safeguards were interposed, therefore, to prevent overreaching by officials, to immunize trials from public hysteria, and to make the public trial in America a calm, objective affair, not a spectacle.

These days there is occasional derision of judges who insist on a meticulous observance of these safeguards. I have even heard a few lawyers say that decisions requiring the observance of procedural safeguards when so-called subversives were at trial exalted technicalities to the detriment of the security of the Nation. Thoughtful lawyers never indulge in that pastime; they never downgrade procedure to technicalities. Lawyers before everyone else know that procedure is the touchstone of our free society, that it is the very essence of due process. In the words of one of our greatest lawyers:

"At the foundation of our civil liberty lies the principle which denies to government officials an exceptional position before the law and which subjects them to the same rules of conduct that are commands to the citizen. And in the development of our liberty insistence upon procedural regularity has been a large factor. Respect for law will not be advanced by resort, in its enforcement, to means which shock the common man's sense of decency and fairplay."

Courts in recent years have had to make many rulings on matters of procedure in cases involving the so-called subversive. Should the regulations of an agency be suspended and the agency allowed to act lawlessly merely because a so-called subversive is involved? Should the presumption of innocence be denied those who are alleged to have committed offenses against the security of the Nation? What kind of notice should a citizen have before he is charged and convicted of contempt either of the courts or of Congress. Contempt is a criminal offense. Should that notice be as definite as the notice or warning required in the case of other crimes?

Notice is deeply embedded in our concepts of due process both where liberty and where property are involved, but there is sometimes pressure to lower the standard when se-

³ *United States v Burr*, 25 Fed. Cas. 25, 27 (No. 14692b) (C.C.D. Va. 1807).

⁴ *Burdeau v. McDowell*, 256 U.S. 465, 477 (1921) (Brandeis, J., dissenting).

curity cases are before a court. Arthur Krock, in commenting on one of these cases, said:

"The only 'remedial legislation' Congress could supply in a situation like this would have to be: (1) a date for compliance must be that intended by a committee, even if it was not conveyed to a witness, or not conveyed unmistakably; (2) whenever a committee cites a witness for noncompliance on a certain date, the courts must accept that action as sufficient proof the witness perfectly well knew what the date was.

"The absurdity, not to mention the unconstitutionality and tyranny, of such a statute, is as obvious as the prospect that Congress would never pass such legislation."⁵

There can be no more important case before any court than one involving the security of the Nation. Yet security cases were occasions for such great oppression in days before our Constitution that the framers established special safeguards for their prosecution. Treason—the most heinous of all crimes—has a peculiarly high standard of proof written into article III, section 3 of the Constitution. The definition supplies a "hard test"⁶ in order to avoid the evils of prosecutions for such illusory and dangerous charges as "compassing" a ruler's death.⁷

The philosophy of our system of laws is that men and women can be prosecuted only for overt acts, not for their ideas. This requirement has had a long history. The terrible trials of the Inquisition were concerned mainly with matters of dogma and belief, not with conduct against the Christian faith. The late A. Powell Davies wrote:

"Looking back over the Christian centuries, one is compelled to notice that not a single martyr has been burned at the stake for not going the second mile, or for being anxious about material things, or for laying up treasures upon the earth. Nor has anyone been persecuted for not loving his neighbor as himself. * * * But if * * * you expressed your belief about obscure matters through an unauthorized formula * * * you would be excommunicated and perhaps even lose your life."⁸

Our Bill of Rights was in part a reaction against that gloomy chapter in history. As Jefferson wrote, " * * * it is time enough for the rightful purposes of civil government for its officers to interfere when principles break out into overt acts against peace and good order. * * * " Clarence Darrow had much history on his side when he said that "there is no such crime as a crime of thought; there are only crimes of action."

These high ideals of our system of Government were well expressed by Thomas E. Dewey in a famous debate with Harold E. Stassen in 1948. The question was whether the Communist Party should be outlawed. Governor Dewey, who took the negative of the proposition, made the plea that "we should prosecute men for the crimes they commit but never for the ideas that they have."⁹ He emphasized the need to avoid the adoption of totalitarian methods to defeat Communist tactics. He pleaded with Americans to be true to their tradition of freedom. "The free world looks to us for hope," he said, "for leadership and most of all for a demonstration of our invincible faith. The free way of life will triumph so long as we keep it free."¹⁰ He reviewed the

history of the Alien and Sedition Laws in this country, pointing out how they hurt and hindered the cause of free Government in America. The lesson they taught us, he said, was that you cannot "shoot an idea with the law."¹¹ He ended by saying "Let us go forward as Free Americans. Let us have the courage to be free."¹²

One sometimes needs to go abroad to get perspective on his own country. The American reputation for intolerance has grown alarmingly in recent years. The attitudes that reach the foreign press are not so much the quiet work of courts in seeing that even the despised person gets a fair trial, as the pronouncements of officials and other groups condemning people not for their deeds but for their ideas. The witch hunt, in addition to putting much pressure on agencies of government to lower the standards of law administration at home, has done us incalculable damage abroad.

When the FBI was making the so-called Red Raids in 1920, shamefully arresting many innocent people in a vast dragnet, there was a current saying, "Civil liberties? So is your old man." That slurring comment stung like a lash at the time and lingers as one of our most melancholy memories. It was repeated in similar words during the late forties and made America the symbol of intolerance in Europe and Asia.

On travels abroad one also sees in new perspective the role of a judiciary in a troubled world. Go to even the new countries of Burma, India, and Israel and you will see how judges are great rocks over which the waves of hysteria break. They stand their own in times of storm and stress, and do not become agents of public passion.

Often there are segments of society which want courts to be agencies of retribution, not dispensers of justice. It is against these groups that the bar must be opposed. It is to them that the bar should offer lectures and classes on the true Americanism of our Constitution and Bill of Rights. The educational program should be extended to every public forum, every classroom. It must re-emphasize to each generation that in America a man may be condemned only for what he does, not for what he thinks or believes.

Those who would convict any so-called subversive, taking any necessary short cuts to reach their ends, often point to Lenin's dictum that "we will build communism with non-Communist hands." With that as a starting point they conclude that anyone who insists that fair trials be given those who are charged with subversion are aiding communism. In an earlier day, Judge Anderson, writing of the obnoxious arrests, searches, and prolonged detentions, incommunicado, of hundreds of innocent people in one of the FBI's Red Raids, decried the "lawlessness" of "supposedly law-enforcing officials," who acted with "such disregard of law and of properly verified facts."¹³ "It may, however, be fitly observed," he said, "that a mob is a mob, whether made up of government officials acting under instruction from the Department of Justice, or of criminals, loafers, and the vicious classes."

The strength of a free society is in its free institutions. There is tremendous power in those who dare to be free. A nation gets untold strength when every community knows that its courts are not agents of passion, that justice is administered impartially. We can not generate strength by adopting totalitarian methods. Every short cut against procedural and constitutional safeguards is an awful precedent. The victim may be a dyed-in-the-wool Communist today, but tomorrow he may be only one who knew a Communist, or one who believed in

socialism, or one who was opposed to the segregation of the races. Once this tactic is approved, it is easy to accuse a person of being a Communist if he favors what a Soviet regime sponsors; e.g., socialized medicine.

Communism, as viewed on the home front, is a dismal and miserable affair, revealing no accurate measure of its potential for evil. One has to travel the world to see how truly virulent and dangerous it can become. But even in the dreary and far reaches of the world where it has grievances without number to exploit, it has succeeded in fastening itself on a country only in extreme situations. No Communist regime has yet ever taken over a democratic nation. In Kerala, a state in India, the party won an election in 1957—its first parliamentary victory in world history. But that is a young democracy; and there were special grievances, including an average annual income of \$24 per person. The Communists have been able to take over a nation by force and violence only under one of two conditions: (1) situations such as that in China where grievances and sufferings piled high, where morale dropped low, and where there were no democratic means to effectuate reforms; and (2) where Communist Party members were propelled into positions of power (as in Eastern Europe) by the intervention of an army from a neighboring Communist country.

Faith in America is faith in her free institutions or it is nothing. The Constitution we adopted launched a daring and bold experiment. Under that compact we agreed to tolerate even ideas we despise. We also agreed never to prosecute people merely for their ideas or beliefs. We have had many exponents of this faith; and none had been more eloquent than Mr. Justice Holmes in the *Abrams*¹⁴ and *Gitlow*¹⁵ cases, Mr. Justice Brandeis in the *Whitney* case,¹⁶ and Chief Justice Hughes in *De Jonge*.¹⁷

Our experiment repudiated the precept long honored by totalitarian regimes that the ends justify the means. Procedure was in the forefront of the minds of those who drafted our Bill of Rights; the first eight amendments are indeed mostly devoted to procedure. They have been construed to be applicable only to the Federal Government and not to the States. But if all the dissenters¹⁸ from that view who have been on the Court had sat at one time, the contrary would have been established and we would have higher standards for the enforcement of civil rights than many communities presently enjoy. Yet whatever the full scope of the protection offered by the Bill of Rights may be, it is clear that no matter how eloquently the rights of man might be stated in the abstract, it is their procedural protection that counts when a crisis arrives. These procedural safeguards were designed to serve everyone in the community—the lowly as well as the mighty, the despised as well as the respected.

¹⁴ *Abrams v. United States*, 250 U.S. 616, 630 (1919) (dissenting opinion).

¹⁵ *Gitlow v. New York*, 268 U.S. 652, 673 (1925) (dissenting opinion).

¹⁶ *Whitney v. California*, 274 U.S. 357, 375 (1927) (concurring opinion).

¹⁷ *De Jonge v. Oregon*, 299 U.S. 353, 364 (1937).

¹⁸ Justices Harlan (*Twining v. New Jersey*, 211 U.S. 78, 117 (1908)), Field (*O'Neil v. Vermont*, 144 U.S. 323, 363 (1892)), Black, Douglas, Murphy, and Rutledge (*Adamson v. California*, 332 U.S. 46, 124, (1947)), are six. Justices Bradley and Swayne (*Slaughter-House Cases*, 83 U.S. (16 Wall.) 36, 118, (1873)), once had that view; and probably Mr. Justice Brewer did also (*O'Neil v. Vermont*, 144 U.S. 323, 370-371 (1892)).

⁵ New York Times, March 17, 1959, p. 32, column 4.

⁶ *Haupt v. United States*, 330 U.S. 631, 644 (1947).

⁷ *Cramer v. United States*, 325 U.S. 1, 28 (1945).

⁸ "The Mind and Faith of A. Powell Davies," 307 (Douglas ed. 1959).

⁹ Dewey & Stassen, "Should the Communist Party in the United States Be Outlawed," 14 Vital Speeches of the Day, 482, 486 (1948).

¹⁰ Ibid.

¹¹ Id. at 489.

¹² Id. at 487.

¹³ *Colyer v. Skeffington*, 265 Fed. 17, 43 (D. Mass. 1920).

field of what has been happening for some time in the financial and diplomatic fields. His words seem to show a vehement desire to reform the base of his country's foreign policy, and certainly the effect of such words will be to awaken greater zeal and desire for aid [to Latin America] in the enemy camp, that is, the Republican Party.

"The intervention of Senator HUMPHREY may have enough drama and violence to achieve a result similar to that caused by the shouts and stones in the path of Vice President Nixon. Both parties of the Union are becoming convinced that there is much to correct in Inter-American relations and, as the sorrowful realities in which we live point up the urgency for this change, we can hope, if not for a Marshall Plan for Latin America, a real expression of U.S. public opinion in support of effective economic aid to the group of nations that most influence the prosperity of North America, present and future."

La Tribuna, Lima, Peru, April 10, 1959:

Column "Temas Sindicales," by Luis López Aliaga:

"Democratic Senator HUMPHREY has made important statements with relation to Latin America. 'The Latin American people,' he said, 'want an end to semifeudal conditions in which 5 percent of the population owns 80-90 percent of the land, in which a handful of nationals and foreigners live in luxury and abundance while the majority live in squalor.' Here, the engineer Pascual Saco Lanfranco has asserted that, of 1,696,716 hectares—the area of agricultural enterprises—66.44 percent (1,126,685 hectares) belongs to large estates of more than 100 hectares, 13.08 percent belongs to medium-sized estates (20 to 100 hectares), and 20.43 percent belongs to small estates. This is to say that 4.59 percent of the agricultural enterprises possesses 66.44 percent of the land. * * * Senator HUMPHREY has sketched, furthermore, a program of nine points for a new policy toward our America. With compunction he says, 'While we have eagerly sought Latin American support to stop communism, we have demonstrated indifference toward despots.' The program outlines: 'An increase of economic aid to Latin America; rapid consideration for loans; increased technical assistance; vigorous support for the creation of regional markets and a review of the commercial and tariff policies of the United States; a larger exchange of persons program and a more balanced and wider coverage of Latin American news by the press, radio, and television in the United States; a review of the military aid programs, and support for the idea of regional control of armaments.' Upon this platform of genuine friendship inter-Americanism can be firmly maintained, for the workers will not harbor the suspicions they have today about an inter-Americanism which closes markets to us, lowers the prices of our exports, and sells to us at higher prices each day. That type of inter-Americanism is all right for fools. We want an inter-Americanism without imperialism."

Folha da Manhã São Paulo, Brazil, April 5, 1959:

Column "The World on the March," by Jan Costa:

"AN ACCURATE DIAGNOSIS BY A NORTH AMERICAN SENATOR OF THE LATIN AMERICAN CRISIS—PLAN FOR AID OR BETTER ECONOMIC RELATIONS?—THE STATE DEPARTMENT'S NEED TO READJUST ITS POLICIES IN THE AREA

"An interesting speech made in Florida by the North American Senator HUBERT H. HUMPHREY, Democrat, confirms what we have long maintained in this column: The Democratic Party of the United States is more sensitive to the needs and interests of Latin

America than the Republican Party that returned to power with the victory of Eisenhower. The enlightened ideas and more realistic policy of the great President Franklin D. Roosevelt explain in part the position of the Democratic Party of which HUMPHREY's speech constitutes a new and reinvigorated manifestation. The Democratic Senator repeats the criticisms lately leveled at the State Department's policies toward Latin America and proposes substantial changes, including a program along the lines of the Marshall plan through which billions of dollars were applied in the reconstruction of Europe and in Asia. He reveals greater understanding of the present drives of the Latin American peoples toward economic development and social progress. The thesis of Senator HUMPHREY seems to be based also on assumptions which we have often affirmed here: North American democracy is conservative, and the democratic struggle in the United States presents itself as a means of defending a standard of living and a political system which, in general, the North Americans consider satisfactory. In Latin America democracy is a political system and at the same time an ideal of socio-economic progress which is being attained slowly and with difficulty; democracy is, in brief, a combination of things that the Latin Americans do not have and wish to acquire. Thus, to consider democracy only the forms of political organization and to ignore all the rest means in Latin America to take a conservative position which perpetuates the latifundium and its political concomitants which are caudillismo and dictatorship. Senator HUMPHREY seems to have understood this when he said, 'We must recognize that the Latin Americans now wish to put an end to the lamentable situation observed in a large number of countries of this hemisphere, where minorities of wealthy people retain possession of 90 percent of the arable land and a handful of privileged people live sumptuously while the rest of the population lives in nearly unbelievable conditions.' Following this he mentions the recent revolutions in Argentina, Colombia, Venezuela, and Cuba as a proof of the determination of the Latin Americans to attain their principal objective: Bread and liberty. Perhaps this was the most intelligent statement of a North American politician on the Latin American crisis and on the need to readjust the policies of the State Department to this reality. Also in the thesis of Senator HUMPHREY, there seems to be implicit the assumption that institutions exist to serve men and human communities and that it is not for man to be a slave to immutable institutions. In no other way could the problem be seen in its proper historic perspective. Yet, in the area of practical solutions, things become complicated.

"Senator HUMPHREY speaks about aid and the Marshall plan. We should speak about the Humphrey plan. But the term 'aid' has been much abused, and we frankly do not like it. We know that aid brings results as the European experience of recent years has shown. Yet, we prefer that the problem be put on the basis of equitable economic relations. For example, an international accord on price stabilization of Latin American exports is more important than aid. Less rigidity in intergovernmental loans is also more important than aid. But at this stage it is important that progress has been revealed in the field of diagnosis as it is revealed in the speech of Senator HUMPHREY, who is considered as one of the possible candidates for the Presidency of the United States.

"Unfortunately, we cannot be optimistic about the general political prospects of Latin America in the near future. The experience of recent years has shown that political revolutions are not enough to eliminate the factors of unrest; i.e., to correct the structural economic defeats which make for political

and social malaise. Argentina continues to lack tranquillity. Paraguay is subjected to a dictatorship against which discontent is mounting. The Cuban revolution is in the initial phase, and the reform plan of its leaders cannot be realized in a few months. Brazil is passing through one of its worst periods in recent years. High prices and the financial situation make the political future quite uncertain on the eve of what promises to become one of the most embittered political campaigns. But this is the inevitable road of democracy in countries that still bear the heritage of caudillismo."

El Correo, Medellín, Colombia, April 11, 1959:

"AID TO LATIN AMERICA"

"The nine points of Senator HUBERT HUMPHREY for an aid plan to Latin America, expounded by him in a speech in Florida, are very important and show the interest that the people of North America are beginning to take in their friends in other parts of America."

"The considerations that accompany these points are absolutely realistic and show a well-informed view of existing relations between the United States and the other countries of the Continent. He not only deals with economic problems, but also, even more important, with the attitude which one should take toward the struggle that the Latin Americans have endured to attain democratic governments, and with the casual and even paralyzed attitude of the Government of the United States toward this struggle."

"The great mass of North Americans almost totally ignore us. There are those who question a South American whether he arrived by train in New York, or at what age he visited there for the first time. But among the leading classes there is noted a marked interest and good information concerning our problems and the conditions under which we live."

El Tiempo, Bogotá, Colombia, April 5, 1959:

"LATIN AMERICA DOES COUNT"

"Latin American affairs, which for so many years have counted little in the United States, are now beginning to be discussed on the platforms of internal politics. This was indicated in the recent eloquent speech of Democratic Senator HUBERT H. HUMPHREY, who is now being mentioned as one of the possible candidates of his party for the presidency of the Republic. The speech, considering the authority and excellence of the speaker, is certain to exert significant influence on the relations between these countries and their good neighbors of the North."

"The policy that Senator HUMPHREY proposes for Latin America is, more or less, the same as that suggested, solicited, and reiterated to the point of fatigue by responsible spokesmen of our people. That policy can be summed up in three words: effective and sincere cooperation. There is no question of an outflow of millions such as the Marshall plan demanded, nor of the Latin Americans wishing to become a leech on the American economy. His eagerness is only for cooperation, for the development—with a view for the common good—of our huge resources that, adequately exploited, would be a fabulous source of wealth."

"The speech of Senator HUMPHREY is new and genuine proof that the mentality of the American politicians, in relation to Latin America, is beginning to change in a favorable direction. And this is not due exclusively to the experiences of Mr. Nixon during his visit to these countries, experiences so very uncomfortable but of elementary significance. In the North American Union they are beginning to give heed to the fact that this part of the continent also counts in world affairs and that something more than geographic proximity argues for soli-

* Equal to 2,471 acres.

derity: the community of political ideals, professed here as fervently as there."

El Tarapacá, Iquique, Chile, April 15, 1959:

"THE U.S. AND LATIN AMERICA

"A detailed description of the errors committed by the United States with respect to the countries of Latin America was made recently by Democratic Senator HUBERT H. HUMPHREY, who accused his Government of having abandoned Latin America at the same time that it showed great preoccupation and interest in Europe, the Mideast, and all of Asia.

"HUMPHREY demands a 'Marshall plan' for Latin America which would renew Latin American hopes and speed economic development. The plan proposed by the Democratic Senator calls for more rapid and sympathetic consideration of loan applications, increased technical assistance, energetic support for the creation of regional markets, revision of U.S. commercial and tariff policies, more extensive health and exchange of persons programs, 'wider and better balanced' news coverage of Latin American affairs' by the U.S. press, radio and television, revision of the military aid programs, and support for the idea of regional control of armaments.

"The program of the Democratic Senator, whose name figures among his party's prospective presidential candidates, accurately interprets the basic hopes of the Latin Americans. Senator HUMPHREY's statements, although presented during an electoral campaign, in the heat of which words outrun the best intentions of the politicians, and despite being another of the many manifestations of U.S. understanding that have not been followed by positive action, reveal a precise knowledge of the problems of U.S.-Latin American relations and constitute a worthy contribution to the Latin American cause.

"In this column we have always censured U.S. vacillation toward Latin American problems, pointing out that economic stagnation and, often, the spread of misery among the peoples of the South American Continent not only constitute grave problems for our countries, but also work against North American political and economic interests.

"It would be unfair at this time, after hearing the correct diagnosis of an outstanding North American public figure, not to state that over a period of time we have witnessed a slow but positive evolution [in U.S. attitude] from indifference to understanding and a frank spirit of cooperation.

"We do not believe that the changes in U.S. attitude were caused by or stem from either the violence to which Vice President was subjected or the flashes of enthusiastic support for Latin America by individual Americans like Senator HUMPHREY. They have been operating on many broad fronts and have been expressed in such significant actions as the open U.S. cooperation with various countries to overcome economic emergencies, U.S. determination to promote the creation of the Pan American Bank, and its expressed support for efforts to establish regional markets in Latin America.

"It is appropriate, also, to mention that U.S. officials raised the first serious warnings about the unreasonable trend of national budgets in Latin America and about the great influence of high military expenditures on economic backwardness.

"There is still a long way to go; but it is comforting to note that the United States slowly, but with the certainty with which convictions are formed by the people themselves, there is greater understanding of these things and appreciation for the need and rightfulness of inter-American solidarity on all levels."

DEPARTMENT OF AGRICULTURE
AND FARM CREDIT ADMINISTRATION
APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. HRUSKA. Mr. President, I call to attention of the Senate the recommendation of the Senate committee concerning the school lunch appropriation and how this recommendation differs from the authorization provided by the House in its version of the agricultural appropriation bill for 1960.

Before discussing that difference, however, I point out that there is serious thinking and considerable progress in the direction that the States should be encouraged to assume increased responsibility in the school lunch program. This is consistent with the School Lunch Act of 1946. A desire to further such a policy is reflected in the budget estimate of \$100 million regular appropriations for cash payments to States—a reduction of \$10 million below the 1959 Appropriation Act. Other witnesses contended for higher amounts than were appropriated for fiscal 1959.

The Senate Appropriations Committee in its wisdom decided to support the same figure as in the current year and as also reported by the Appropriations Committee of the other body and later approved in final form by the other body itself.

Since the issue seems to be resolved in this particular aspect by both bodies, it is not my desire to address myself to it now.

Both the Senate committee bill and the House bill provide a total of \$153.7 million for the school lunch program in 1960. So the question is not one of differences in how much support to the school lunch program is proposed by the Senate and the House, but in how that support is to be provided.

The House and Senate bills both provide for a regular appropriation of \$110 million. About \$94 million of this amount will go to the States as cash payments, and about \$15 million will be used by the Department to make special purchases for the program under section 6 of the National School Lunch Act. Both bills also provide for the transfer of approximately \$43.7 million of section 32 funds to the program. The Senate bill proposes that this transfer be used to augment the regular section 6 food purchase program. The House bill provides that the \$43.7 million be used to increase the cash payments to States from about \$94 million to almost \$138 million, or almost 50 percent.

I believe the proposed Senate action to be more responsive to school lunch needs as expressed by the local school people. I am sure Senators will recall the letters they received from school people when commodity donations were

sharply reduced in 1958. The school people asked for commodities; few, if any, of them suggested that the cash side of the program be increased.

It was in response to those expressions that Congress authorized the transfer of \$35 million of section 32 funds for commodity purchases last year. That action is in effect for the current fiscal year. The Department of Agriculture used these funds to provide good protein items for the schools—turkeys, dried eggs, and an excellent frozen ground pork. In addition, butter, cheese, dry skim milk, flour, cornmeal and rice were made available from the surplus stocks of the Commodity Credit Corporation. The large volume purchase facilities of the Department made it possible to provide the schools more pounds of high-quality food per dollar expended, and thus was of greater assistance in helping schools maintain both meal quality and moderate lunch prices.

I believe this year's experience with the expenditure of \$35 million will demonstrate that such a program can happily serve both the nutritional and agricultural objectives of the national school lunch program. It permits commodity markets to have the stabilizing influence of a large-scale purchase; it permits schools to benefit from the economies of such volume purchases; and the educational efforts by the Department and the States to assist schools to use these foods are helping to develop sounder and bigger markets for these foods in the future.

The committee report at page 8 sums up the committee's thinking and conclusion in the following fashion:

The committee believes that the Department is better equipped to handle the purchase of foods, and to balance this procurement with the donations of Government-owned foods, which it makes to the school lunch program than would prevail if the House proposal for utilizing \$43,657,248 of section 32 funds were to be undertaken. The committee accordingly recommends the deletion of the House provision, and inserts in lieu thereof the following provision: "Provided further, That \$43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."

The committee amendment inserts the language carried in the 1959 appropriation act, and the amount of the House proviso which provides a total of \$153,657,248 of Federal financing for the school lunch program as proposed in the House bill.

I feel strongly that we should not only fully endorse the proposals of our Senate committee, but also that we should instruct the Senate Members of the Conference Committee to urge the inclusion of the Senate language in the final appropriation bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. HUMPHREY. I am very much interested in the school lunch program; indeed, I am interested in the entire appropriation bill relating to the Department of Agriculture and its multitudinous services.

The Senator from Nebraska has related the history of the transfer of section 32 funds to implement and supplement the commodity section of the school lunch program. The purpose, as the Senator has said, is to provide a more varied and a more balanced diet for the school lunch program.

Mr. HRUSKA. That is correct.

Mr. HUMPHREY. This would permit the purchase of protein foods, in part, so as to round out the school lunch program and not rely entirely on the so-called surpluses. Is that correct?

Mr. HRUSKA. The reliance, even under section 32, is on the surpluses. As I understand, any purchases of surpluses by the Department of Agriculture are made available for certain specified purposes; but one of the highest priority, and perhaps the highest priority, is the school lunch program. As I understand, all the commodities made available in this fashion are from the Commodity Credit Corporation surpluses.

Mr. HUMPHREY. That is not the law which relates to the national school lunch program. The national school lunch program does not rely entirely upon so-called surpluses under the control of the Commodity Credit Corporation.

Mr. HRUSKA. That is true.

Mr. HUMPHREY. The commodities which may be required for a more balanced program may be purchased on the market.

Mr. HRUSKA. That is correct; and not only is that the purpose of the \$110 million, but it is particularly the purpose of the \$14 million of that amount which is available for the special purchases.

Mr. HUMPHREY. That is correct.

The only concern I have—and I am sorry the chairman of the subcommittee is not now in the Chamber—is that the Senate committee bill fails to earmark the funds transferred from section 32 as not to be used primarily for price-support purposes. In other words, I believe the Senate should emphasize that section 32 funds are to be used primarily for the school-lunch program and, second, for price-support purposes, and are to be used for section 6, to which the Senator has referred. In other words, if we speak of the funds transferred from section 32 as being primarily price-support funds or primarily directed toward price-support operations, then the use of those funds will be limited essentially to the purchase of surplus commodities.

Mr. HRUSKA. I do not think that has been the experience.

Mr. HUMPHREY. I do not think so, either; but I wish to make sure that there can be no such interpretation or limitation in regard to the availability of funds transferred from section 32, which, as we know, are obtained from

the tariffs and fees on the importation of agricultural commodities.

Mr. HRUSKA. As a matter of fact, the designation of the \$43,700,000 which will be transferred from section 32 will bolster the very thought the Senator from Minnesota has expressed. Actually, the Department contended that that language and that transfer are not at all necessary; that if those funds were spent under the provisions of section 32, the highest priority probably would be accorded the school-lunch program. If the transfer is made, it seems to me that will imply a greater liberality with the purchase of food for the purposes of the school-lunch program.

Mr. HUMPHREY. Exactly; and I thank the Senator from Nebraska for that interpretation, which also is mine. I simply wished to be sure that I understood the Senator's point of view and his observation.

It seems to me that the funds are being transferred for the purposes of the national school lunch program, and that therefore the funds are to fulfill the objectives of the national school lunch program, rather than the objectives of any price support operation.

Mr. HRUSKA. It would seem that that is one of the reasons why the transfer is made; and I believe that the selection of foods available for purchase by means of the transfer is sufficiently wide so that that purpose may be subserved.

Mr. HUMPHREY. Does the Senator believe that these foods should be purchased entirely by the U.S. Department of Agriculture; or does he believe that there might be flexibility which would permit the State authorities and the local authorities to work in this area?

Mr. HRUSKA. They should work closely with each other; but the actual mechanics of the purchasing are to be handled by the Department of Agriculture.

Mr. HUMPHREY. But it is to be hoped that the authorities in the respective States will have some leeway in terms of what will be a balanced program for their purposes.

Mr. HRUSKA. Yes; and I understand they will work closely in conjunction with the Agricultural Marketing Service, in connection with the program, although, as I have stated, the actual mechanics of the purchasing will be handled by the Department of Agriculture itself.

Mr. HUMPHREY. I thank the Senator from Nebraska for his clarification of that particular portion of the report on the bill which has been before us today.

THE EAGLE SOARS

Mr. ALLOTT. Mr. President, upon the occasion of the death of John Foster Dulles, Mr. Milford E. Shields, of Durango, Colo., the poet laureate of the State of Colorado, composed a poem entitled "The Eagle Soars," I ask unanimous consent that the poem be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE EAGLE SOARS: JOHN FOSTER DULLES

High in the sky the eagle soars,
Above the turbulence and strife
Of earth's perimeter of life;
There as he circles other shores
We see the light glint from his wings,
And what a joy its brilliance brings,
The joy of knowledge and of love,
That though his work was not complete,
We in his brilliance still will meet,
Here by the grace of God above,
Round out his efforts for the free
As he wings in Infinity.

—Milford E. Shields.

GRADUATION OF THE FIRST CLASS FROM THE U.S. AIR FORCE ACADEMY

Mr. ALLOTT. Mr. President, June 3, 1959, will mark the realization of a goal long dreamed, long hoped for, and long planned by the early pioneers of air power, as well as by the leaders of our Air Force. The graduation of the first class from the U.S. Air Force Academy at Colorado Springs, Colo., is in many ways the rekindling of the spirit of such Americans as Billy Mitchell, Hoyt Vandenberg, Hubert Harmon, Hap Arnold, and the many other great air commanders and men who gave their lives that the United States would never lack for air strength or for well-trained, dedicated leaders for our Air Forces.

We in the Congress should be equally proud that the newest of our service Academies is about to assume its rightful place along with the Academies of the Army, Navy, Coast Guard, and Merchant Marine. The Air Force Academy Act of 1954 gave life to the Academy. The young men whom we have nominated comprise the majority of the cadets of the Academy and of the graduating class. A portion of our national income which we have appropriated has built this institution, which undoubtedly will achieve a splendid reputation for men of scholarship as well as leadership. As a matter of fact, among its first graduates the Academy boasts a Rhodes scholar. Already the Academy has attained full academic accreditation.

On May 10 of this year the Air Force Academy Board of Visitors made its annual inspection of the school. As Chairman of that Board, I am pleased to announce that our report will shortly be in the hands of the President. I may say, however, that we were greatly impressed by the academic standards already achieved by this fledgling institution. Its faculty, we found, is second to none. We were particularly impressed with the emphasis placed on humanities, as well as the purely military aspects of the curriculum.

Another facet of the curriculum which made a great impression upon us, Mr. President, is the emphasis being placed on sciences. Fine laboratories, good equipment, and exceptionally fine instruction are producing what we are confident will be fully rounded, well educated leaders of the future. Astro-

nautical and other courses provide them with the knowledge and the tools to conquer space.

Let us take pride in our Air Force Academy. Let us share with the Air Force and the Nation the achievement of a job well done. To the members of the first graduating class—the class of 1959—let us wish careers of service filled with success. They are as much men of destiny as those of the long gray line of West Point and the graduates of the Naval Academy at Annapolis.

Mr. President, in order that my colleagues may have an even more graphic idea of what a remarkable institution this one is, I ask unanimous consent that an article entitled "Air Academy's First Grads Take Wings," written by Cabell Phillips, and published in the New York Times magazine of May 24, 1959, be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD as follows:

AIR ACADEMY'S FIRST GRADS TAKE WING—THE FALCONS JOIN WEST POINT'S "LONG GRAY LINE" AND ANNAPOLIS' CAP-TOSSING MIDDIES

(By Cabell Phillips)

COLORADO SPRINGS, COLO.—A 4-year stride in the coming-of-age of the United States Air Force will be measured off here on June 3 when the first graduates of its new academy march up to receive their diplomas—and inevitably to pass on into Air Force tradition as "the immortal class of '59."

The Air Force Academy opened in temporary quarters at Lowry Air Force Base, at the edge of Denver, on July 11, 1955. Of the 306 assorted and somewhat apprehensive high school and college kids who showed up for matriculation that day, 207 have survived to emerge as crisply uniformed and presumably well-trained young second lieutenants ready to go to work as navigators or student pilots or to prepare for the more exotic tasks of the missile age. And the scene of this historic first June week will be the academy's own spectacular but still unfinished \$150 million campus here in the shadow of Pike's Peak.

To Air Force professionals and alumni all around the world, this will be a time to remember. It will mean the final attainment of equal professional and social status with the Army and the Navy, the birth of an elite officer corps steeped in distinctively Air Force doctrine and tradition. The Academy has been the dream of Air Force men ever since the old Air Corps won its independence from the Army 12 years ago. Congress authorized its creation in 1954, and it got haphazardly under way a year later. It moved into its new quarters here last October. But only now, with its first fully qualified graduating class, has it become a proud and indisputable reality.

Just at present, things are in a bit of a flap here in order to make this historic debut as impressive and flawless as possible. The five principal buildings—administration, classroom, dormitory, etc.—are of course, completed, their vast vertical acreage of glass, aluminum and white marble glistening pristinely in the spring sunshine. A sixth, the Social Center Building, with a 3,000-seat auditorium and a hangar-sized ballroom, is still crawling with artisans working against a May 30 deadline. A platoon of bulldozers chews away at the raw banks of red clay that stretch in every direction, molding their contours and covering them over with tons of imported black topsoil. Landscapers toil from dawn to dusk sowing quick-growing grasses, setting hun-

dreds of shrubs and full-grown trees and anxiously nursing the formal plantings around the reflecting pools in the great central plaza.

And meanwhile cadet and faculty committees by the score wrestle with such agonizing and unfamiliar problems as the correct protocol for a graduation ceremony, invitation lists for teas and cocktail parties, the scheduling of a score of weddings, the devising of appropriate customs and rites that will make an Air Force June Week different from any other June Week, and even the scrounging of enough bleachers for the parade grounds to accommodate the thousands of visitors who are expected.

But this is another and happier sort of chaos than that which prevailed four years ago.

I was on hand on that blistering July day back in 1955 when this institution drew its first breath of life. The first class of cadets had streamed in over the week-end. The men had come from every state in the Union, lugging suitcases and brown paper parcels—and in some cases radios and tennis racquets, which were never to get past their barracks doors—and dressed in the casual, flamboyant style of teen-agers.

Militarily, they looked to be about as unpromising a lot as any random sample of young America caught in the dragnet of the draft. But in actuality they were anything but average. Each had passed a series of stiff competitive examinations to win his appointment. Scholastically, they were top-rank in their various high school and college classes, and their median score on College Board examinations, I learned later, was 580 as against 556 for freshmen of other colleges tested on the same scale.

Physically, they had to pass the standard Air Force examination for pilot training, one of the most rigid in the armed services, and there seemed to be a heavy preponderance of potential football material among them. Motivationally, they were uniformly bedazzled by the adventure and romance of flying, but here and there was an undertone of serious interest in the engineering and leadership phases of an officer's career.

The fledgling Academy's quarters in those days was a cluster of cheerless brick and clapboard buildings on a corner of the Lowry preserve. By 7 o'clock that morning the prospective cadets had begun to queue up for registration, oath-taking, and formal matriculation, a process that was accompanied by the elaborate and deceptive solicitude of a group of young lieutenants and captains—aid training officers—especially recruited from the regular ranks to spend this first academic year in the role of foster upperclassmen.

"Mister, will you step into this line, please?"

"Now, sir, if you will just sign your name here—thank you."

"I'm sorry, fellow, but regulations won't permit you to keep your camera and radio in the barracks."

But when they were formed into squads a couple of hours later and marched the 50 fateful yards to their barracks area, they were exploded into a frenetic, harshly regimented world unlike any they had ever known. The crisp young ATO's, who only a few moments before had seemed so courteous and friendly, suddenly became snarling, belaboring drillmasters.

"Get into those fatigues, mister, on the double—on the double, I said."

"Stand up straight, mister. Is that your belly or your chest? Well, get it up there where it belongs."

"Pull in that chin, mister—brace."

"You men will march on that field in military formation this afternoon or you'll regret it for the next 6 months, and that's a promise."

And at 3 o'clock that afternoon, looking awkward and uneasy in their starched khakis

and blue caps, they marched bravely onto the parade ground for the formal dedication ceremonies—if not like veterans, then like a squadron of very recent civilians who had had an awful lot of close-order drill pounded into their heads in a brutally short time.

It was a moving spectacle and at the same time a portentous one. You realized that here, in this first parade of the Air Academy cadets, a fresh chapter in America's romantic and military folklore was being opened before your eyes. And you felt certain, too, that among this cluster of bewildered, sweating, bone-tired youngsters, trying desperately to keep step and a straight line, there were some who carried, unseen and unsuspected, the mark of destiny that would some day be revealed in a general's stars or a hero's medals.

When I revisited the academy the other day there was both a vast difference in the surroundings and an almost equally great difference in the cadets of 4 years ago.

The new academy, on 17,000 acres at the eastern rampart of the Rockies, is magnificent or hideous, depending upon your architectural prejudices. I found the sleek, functional lines of the buildings and the sophisticated use of rich panels of color wholly pleasing. The style is contemporary without being modernistic, and while no ivy will ever twine about the aluminum-sheathed columns, neither will these buildings ever suffer from the anachronistic blight of collegiate Gothic.

The scene is a bit stark, for there is still much landscaping to be done; there are obvious gaps in the great quadrangle where a chapel and a hospital are to be built, and there is an almost total absence of such sentimental gimmickry as statues, fountains, great trees, and other customary campus landmarks that would give it warmth and familiarity. These will come with time.

Up to now, the plant has cost, against an original estimate 5 years ago of \$100 million, either \$139 million or \$197 million, depending upon whether you take the figures of Maj. Gen. James E. Briggs, the Superintendent, or of Joseph Campbell, the Comptroller General of the United States, whose disagreements have reached the point of polite acrimony. And by the estimates of both, the end is not in sight. For example, with its construction budget practically exhausted, there are as yet no flying facilities at this school for airmen, and cadets have to go by bus to Lowry Field, 60 miles away, for flight training.

At all events, a controversy is now raging in Congress over the question of how much of this handsome layout is boondoggling extravagance and how much is rational necessity. The conclusion of this uniformed observer is simply this: If there has been any penny pinching in bringing the academy to its present state of sufficiency and architectural opulence it is not visible to the naked eye.

As for the cadets, attrition of one sort or another—academic, physical, psychological—has washed out nearly a third of their original number, which is about the norm for the other service academies. Those who have survived have gained strikingly in physical bearing, in poise and almost certainly in knowledge. Among those whom I had particularly noted 4 years earlier, one has won a Rhodes scholarship, another (among five in his class) has been picked for graduate study at a leading eastern university, another has become the Academy's first football All-American, and one has achieved high military rank in the cadet wing. There were others in this small group, of course, who are just fair to middling in their academic attainments.

Survival is indeed a test of fitness at the Air Academy, for a cadet's life is rationed by minutes throughout the 4-year period and

or to enact suitable legislation effecting this end whichever the Congress deems right and proper; be it further

Resolved, That a copy of this resolution be forwarded to the Clerk of each House of the U.S. Congress in Washington and to each U.S. Senator from the State of South Carolina and each Member of the House of Representatives of Congress from this State.

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of South Carolina identical to the foregoing, which was referred to the Committee on Finance.

EGG PRICES—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received in regard to the price of eggs in the Midwest. For the fifth time—one, two, three, four, five—for the fifth time, Mr. President, I have brought to the attention of this body the fact that the farmers in that area are receiving 16, 17, or 18 cents a dozen for their eggs—which, on the basis of the 50-cent dollar, means 8 or 9 cents a dozen, I have asked, time and time again, that this matter be brought to the attention of the Committee on Agriculture and Forestry and to the attention of the Secretary of Agriculture. I want to do so once more; therefore, I ask unanimous consent that the letter be printed in the body of the RECORD, and also be appropriately referred.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

MINOT, N. DAK., May 22, 1959.
Hon. WILLIAM LANGER,
U.S. Senator, Washington, D.C.

DEAR MR. LANGER: In regards to the egg situation. What do you think of the low prices on eggs sold to retail stores? Do you think they (retail stores) have to make a 12- to 15-cent profit per dozen on eggs—delivered to the store by the farmer-producer and all other consumer goods are up?

At the present price of eggs we have a hard time to make expenses.

The workingman or consumer could buy more eggs if there were only an 8-cent profit or one-half the increase in price. We receive 22 cents in trade and they sell out for 35 cents and more. No. 1 eggs Minot, 22 cents in trade at the store. The Western States seem to hold the egg price up.

ABEL BEATON.

TRANSFER OF CERTAIN FUNDS IN DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—TELEGRAM

Mr. LANGER. Mr. President, I ask unanimous consent that a telegram, received by me, from Ethel Heising, director of the North Dakota State lunch program, relating to the transfer of certain funds in the Department of Agriculture appropriation bill, may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., May 30, 1959.
SENATOR WILLIAM LANGER,
Washington, D.C.

Understand school lunch will be discussed on the Senate floor Monday wish to urge that the \$43 million to be transferred from section 32 either be used as cash reimbursement to be given clear mandate to used transferred funds to purchased section 6 food early in the year unless clear mandate is given money will probably be spent in the late year for section 31 (32) items such as dried eggs purchased last year.

ETHEL HEISING,
Director, State Lunch Program.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

James A. Kelly, and Peter S. VanNort, midshipmen (Naval Academy), to be ensign in the restricted line of the Navy;

Daniel E. Ralston, midshipman (Naval Academy) to be an ensign in the Supply Corps of the Navy;

Richard M. Krol (Naval Reserve Officers' Training Corps) to be an ensign in the line of the Navy;

Alan G. Brown (Naval Reserve Officers' Training Corps) to be an ensign in the Supply Corps of the Navy;

Arthur E. Archambault, Naval Academy graduate, for permanent appointment to the rank of second lieutenant in the Marine Corps; and

Robert M. Hall, Army Reserve Officers' Training Corps, for permanent appointment to the rank of second lieutenant in the Marine Corps.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE:

S. 2081. A bill for the relief of Yadwiga Boczar; to the Committee on the Judiciary.

By Mr. PROXMIRE (for himself and Mr. WILEY):

S. 2082. A bill to provide for the issuance of nonquota immigrant visas to certain aliens; to the Committee on the Judiciary.

By Mr. KEATING (for himself, Mr. ALLOTT, Mr. BEALL, Mr. BUSH, Mr. CAPEHART, Mr. CASE of New Jersey, Mr. JAVITS, Mr. PROUTY, and Mr. SCOTT):

S. 2083. A bill to abolish mandatory capital punishment in the District of Columbia; to the Committee on the District of Columbia. (See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 2084. A bill for the relief of Tam Sui Wah; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONROE):

S. 2085. A bill to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 2086. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. Allott when he introduced the above bill, which appear under a separate heading.)

RECOGNITION OF POLISH LEGION OF AMERICAN VETERANS AS A BONA FIDE VETERANS ORGANIZATION

Mr. BUSH (for himself and Mr. DODD) submitted the following concurrent resolution (S. Con. Res. 40); which was referred to the Committee on Finance:

Resolved by the Senate (the House of Representatives concurring). That the Congress hereby recognizes the Polish Legion of American Veterans (a nonprofit corporation created under the laws of the State of Illinois, certificate numbered 3746) as being a bona fide, patriotic, nonpolitical, veterans' organization. It is therefore the sense of the Congress that, in the administration of section 3402 of title 38 of the United States Code, the Administrator of Veterans' Affairs should, subject to the provisions of such section, recognize representatives of such organization in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

ABOLITION OF CAPITAL PUNISHMENT IN THE DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, on behalf of Senators ALLOTT, BEALL, BUSH, CAPEHART, CASE of New Jersey, JAVITS, PROUTY, SCOTT, and myself, I introduce, for appropriate reference, a bill to abolish mandatory capital punishment in the District of Columbia.

Under the provisions of the bill, it would be discretionary with a jury in murder cases to recommend either the death penalty or life imprisonment. Under the present District of Columbia law, death is the automatic punishment in all first degree murder cases without regard to the facts and circumstances in a particular case. I believe that such rigid justice is self-defeating. Mandatory capital punishment has been abolished in all the States, and it is high time that the District of Columbia Code was attuned to the practice in the rest of the country.

The language of the present bill is patterned after the provisions of the New York Criminal Code. I offer the bill in this form merely as a guide for action, since I recognize that there are a number of other procedures which could be utilized.

Under the Federal Criminal Code, for example, imprisonment for life must be imposed by the court if the jury qualifies its verdict of guilty by adding thereto "without capital punishment." Under the New York law, a jury recommendation of life imprisonment is not absolutely binding on the court, although in practice it is almost always followed. Another procedure, advanced by the American Law Institute contemplates a separate hearing with regard to imposition of the death penalty after a judgement of guilt. A possible advantage of this is that it would permit evidence to be presented on the issue of punishment which might not be admissible in the trial of the actual offense. I hope that all of these proposals will be studied by the District of Columbia Committee when it considers this subject.

Mr. President, our criminal laws have undergone a steady humanizing process.

Nothing is more consonant with this trend than recognition of the principle that the punishment must fit the crime. Such factors as the age of the defendant, his prior record of criminal activity, his mental condition, and the actual degree of his complicity in joint crimes certainly should be weighed in assessing an appropriate penalty for his offense. This cannot be done under the present archaic provisions of the District of Columbia Code. Since it is our lot, albeit unhappily, to act as the local legislature for the District of Columbia, it is incumbent that we take the action necessary to carry out this most needed reform. I should be surprised if opposition developed to the merits of this bill from any source except for a few lawyers who see some tactical advantage in confronting a jury with a stark choice between completely freeing the defendant or sentencing him to death. We have long since abandoned this approach to law as a game of wits.

Mr. President, the citizens of the District of Columbia should be grateful for the outstanding work done on this problem during the recent meeting of the Judicial Conference for this circuit. I hope that Congress will give its prompt attention to the recommendations of this eminent group of judges and lawyers. Their study has exposed the needs of the situation. It is our duty to fashion a solution which will most adequately reflect the requirements of sound legislation in this area.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD; and that the bill be allowed to lie on the desk until June 8, to give any other Senators who might desire to do so an opportunity to join as cosponsors.

The PRESIDING OFFICER (Mr. McGEE in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk until June 8, as requested by the Senator from New York.

The bill (S. 2083) to abolish mandatory capital punishment in the District of Columbia, introduced by Mr. KEATING, for himself and Senators ALLOTT, BEALL, BUSH, CAPEHART, CASE of New Jersey, JAVITS, PROUTY, and SCOTT, was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 801 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901 (31 Stat. 1189, 1321), is amended to read as follows:

"SEC. 801. Punishment.—The punishment of murder in the first degree shall be death by electrocution unless the jury recommends life imprisonment. A jury finding a person guilty of murder in the first degree may, as a part of its verdict, recommend that the defendant be imprisoned for life. Upon such recommendation, the Court may sentence the defendant to imprisonment for life. The punishment of murder in the second degree shall be imprisonment for life, or for not less than twenty years."

AMENDMENT OF MUTUAL SECURITY ACT—AMENDMENTS

Mr. MANSFIELD submitted amendments, intended to be proposed by him, to the bill (S. 1451) to amend the Mutual Security Act of 1954, as amended, which were referred to the Committee on Foreign Relations and ordered to be printed.

AMENDMENT OF TARIFF OF 1930, RELATING TO FREE IMPORTATION OF TOURIST LITERATURE—AMENDMENTS

Mr. ANDERSON. Mr. President, I submit amendments, intended to be proposed by me to the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature. I ask unanimous consent that a statement, prepared by me, relating to the amendments, be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. ANDERSON is as follows:

STATEMENT BY SENATOR ANDERSON

I propose an amendment to H.R. 2411, a bill presently pending before the Senate Finance Committee, H.R. 2411 is designed to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

My amendment would add a new section which will clarify and make uniform the present dutiable status of wood moldings imported into this country. Previously I introduced S. 913, which would accomplish the same objective. However, the executive departments concerned have raised objections to the language used in S. 913. One of the main objections voiced was of a technical nature, and I have rewritten the present amendment to make every effort to correct the bill in the eyes of the reporting departments.

Briefly, imported wood moldings, used in construction work have been classified and taxed at the same rate as regular mill-run lumber of the common grades. Anyone familiar with these products knows that there is a great deal of difference in their respective value. On behalf of the manufacturers of wood molding in the Southwest, I brought this disparity to the attention of the Customs Bureau last fall when that office was considering the problem of glued-up molding. This is a process whereby two short pieces of wood are finger-joined and glued to make one longer product. At that time, the Bureau properly recognized the fairness both to the U.S. Treasury and our domestic producers, and by administrative action reclassified joined-moldings whereby they will now be taxed at 16½ percent ad valorem. But although the Bureau took a step in the right direction, it failed to fully correct the situation with respect to a solid piece of molding. A solid piece has never been broken or joined and is probably more valuable for that reason alone. I asked why this was not done, and the answer was that since molding has been classified as common lumber for so long, the Bureau took the position that this presumed congressional sanction. Therefore they concluded it will take congressional action to change the classification. I believe this could be done within the discretion allowed the administrative agency, but for purposes of erasing all doubt about the intent of Congress, I propose to amend the statutes.

My proposal would tax all moldings at the same rate now applied to wood moldings used in architectural and furniture decoration. Under the present trade agreements applicable, this will be 17 percent ad valorem. I think such action by the Congress is justified for purposes of clarifying procedure and taking a realistic appraisal of what could develop into a serious problem. It is my understanding that hearings will be held on H.R. 2411, and at such time an opportunity will be provided to hear all of the evidence on this matter. With this prospective advantage, we can decide which position will best determine the public interest.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960—AMENDMENTS

Mr. O'MAHONEY submitted an amendment, intended to be proposed by him, to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. COOPER submitted amendments, intended to be proposed by him to House bill 7175, supra, which were ordered to lie on the table and to be printed.

Mr. DOUGLAS. Mr. President, on behalf of myself, and the Senator from Oregon [Mr. NEUBERGER], I submit two amendments, intended to be proposed by us, jointly, to House bill 7175, the Department of Agriculture appropriation bill. I ask unanimous consent that the amendments may be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 20, line 6, strike out the figure "\$39,135,000" and insert in lieu thereof the figure "\$28,135,000".

On page 25, line 14, strike out the figure "\$1,431,665" and insert in lieu thereof the figure "\$1,269,665".

Mr. DOUGLAS. Mr. President, also, on behalf of myself, and the Senator from Minnesota [Mr. HUMPHREY], I submit an amendment, intended to be proposed by us, jointly, to House bill 7175, the Department of Agriculture appropriation bill. I ask unanimous consent that the amendment may be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 30, line 10, strike out the period at the end thereof and insert in lieu thereof a colon and the following: "Provided, That no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price-support operations for any crop planted after January 1, 1960, for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401 (c) of the Agricultural Act of 1949, as amended."

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO AGRICULTURE DEPARTMENT APPROPRIATION BILL

Mr. WILLIAMS of Delaware submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, the following amendment, viz:

At the appropriate place add the following new section:

"SEC. —. The Agricultural Act of 1949, as amended, is amended effective beginning with 1960 production by inserting after section 420 the following new section:

"Sec. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed \$35,000. The term "person" shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

"In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of \$35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation."

Mr. WILLIAMS of Delaware also submitted an amendment, intended to be proposed by him, to House bill 7175, making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

SALE OF CERTAIN MINERALS AND METALS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of May 26, 1959, the name of the Senator from Alaska [Mr. GRUENING] was added as an additional cosponsor of the bill (S. 2048) relating to the sale of certain minerals and metals acquired by the United States, introduced on May 26, 1959, by Mr. MURRAY (for himself and Senators ALLOTT, BARTLETT, BIBLE, CANNON, CHAVEZ, CHURCH, GOLDWATER, HAYDEN, MANSFIELD, MARTIN, MOSS, and YOUNG of Ohio).

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the Appendix, as follows:

By Mr. ERVIN:

Address delivered by Senator SYMINGTON at annual dinner of Chamber of Commerce of Winston-Salem, N.C., May 21, 1959.

Excerpts from address by Senator HARTKE at State convention of Young Democrats of North Carolina, Raleigh, N.C., on April 30, 1959.

By Mr. GOLDWATER:

Address delivered by Senator ALLOTT before Episcopal diocesan convention, Denver, Colo., May 6, 1959.

By Mr. PROXMIRE:

Address delivered by Adlai E. Stevenson at the spring convocation, McGill University, Montreal, Canada, May 29, 1959.

Editorial entitled "Census To Study Farm Financing," written by William M. Blair and published in the New York Times, May 30, 1959.

Editorial from the Wall Street Journal of May 29, 1959, discussing the need for labor reform legislation.

Editorial from the Capital Times of Madison, Wis., discussing the meaning of Memorial Day.

By Mr. JACKSON:

Address delivered by Gen. Curtis E. LeMay, on May 16, 1959, to Spokane (Wash.) Chamber of Commerce.

By Mr. DIRKSEN:

Address entitled "Law Day 1959," delivered by Ross L. Malone, president of the American Bar Association, before the Illinois State Bar Association, at Peoria, Ill., on April 30, 1959.

By Mr. BIBLE:

Inaugural address delivered by Dr. Charles J. Armstrong, president, University of Nevada, April 19, 1959.

By Mr. KUCHEL:

Editorial entitled "Foreign Aid—A Proposal," written by Mr. Eugene P. Conser, and published in the Real Estate Newsletter of May 11, 1959.

Resolution of American Public Power Association endorsing construction of Trinity River division of Federal Central Valley project.

By Mr. MURRAY:

Editorial entitled "Peddling a Forgery," published in the winter-spring, 1959, issue of Prevent World War III.

By Mr. NEUBERGER:

Editorial entitled "Bonneville Corporation Fair to All," from the Oregonian of May 28, 1959.

Editorial entitled "Income Tax Cut Back to States?" from the Coos Bay World, of Coos Bay, Oreg., of May 26, 1959.

Article published in the Ashland (Oreg.) Daily Tidings, on May 29, 1959, by Rudi Korn-Mann, relating to cancer-research.

By Mr. LANGER:

GTA Daily Radio Roundup of May 28, 1959, on the "wheat king's" view of the farm problem.

By Mr. SPARKMAN:

Article entitled "It's a Smear Thing," written by Westbrook Pegler and published on a recent date.

By Mr. MONRONEY:

Article published in the New York Journal-American of Sunday, May 31, 1959, entitled "And Now We're Losing the War of Oceans."

By Mr. SCHOEPP:

Article entitled "Kansas Sows Capitalism in Underdeveloped Lands," written by Max Forester, and published in the New York Herald Tribune of February 12, 1959.

By Mr. CASE of New Jersey:

Article relating to cancer research, published in the Washington Post and Times-Herald of May 31, 1959.

Tribute to Arabella H. Prali, schoolteacher for 44 years service in Linden, N.J.

By Mr. STENNIS:

Open letter to the U.S. Senate relating to Gettysburg National Military Park, written by Jess Gorkin, editor of Parade magazine,

and published in Parade for May 17, 1959, which will appear hereafter in the Appendix.

By Mr. YARBOROUGH:

Resolution adopted May 20, 1959, by the American Legion Business and Professional Men's Post No. 10, of San Antonio, Tex., urging a change in the retirement pay method for military personnel.

Resolution adopted May 24, 1959, by Camp Bowie Barracks No. 1636, of Fort Worth, Tex., Veterans of World War I, relating to a revision of non-service-connected disability allowances.

CONSTRUCTION OF ATOM SMASHER BY MIDWEST UNIVERSITY RESEARCH ASSOCIATION

Mr. PROXMIRE. Mr. President, for a long time the Midwest University Research Association has been working toward the construction of an atom smasher which would be many times more powerful than any other anywhere in the world. It would permit this country to leap far ahead of the Soviet Union in pure research in physics.

This association, known as M.U.R.A., is made up of some of the greatest universities in the country including all the Big Ten universities and several other Midwest institutions that are internationally famed for the strength of their physics departments.

More than a year ago they had proven the practicality of the brilliant new design of their unique machine. In fact, their atom smasher had even then been more thoroughly tested in model stage than any ever constructed.

Construction of the machine will cost \$100 million. To date, they have not received the go-ahead from the Atomic Energy Commission or the Congress.

These M.U.R.A. scientists have been as patient as Job. Just recently they have shown another sterling quality. President Eisenhower announced, last month, that he favored the construction of a \$100 million atom smasher at Stanford, a so-called linear machine that would be 2 miles in length. This machine would, at best, develop one-twentieth to one-tenth the voltage of the M.U.R.A. machine, although the cost would be the same. It would be added to several other atom smashers on the west coast, although there are none in the Middle West. There are also several on the east coast. Because these machines are immensely useful in research in high-energy physics, their presence on both coasts adds substantial strength to the faculties of educational institutions on both coasts, at considerable competitive cost to our great midwestern universities.

For all these reasons, I was at first disturbed and concerned about the President's announcement of plans to build the new atom smasher at Stanford.

I immediately got in touch with the executive director of M.U.R.A., Prof. Ragnar Rollefson, of the University of Wisconsin. Dr. Rollefson's reply impressed me very deeply. Far from expressing disappointment or antagonism to the President's proposal for Stanford, he was enthusiastic. He told me that, in his judgment, the President was right; that his decision would benefit the scientific community and the Nation.

Mr. President, in an era of cynical, ruthless competition for Government dollars, in which even university faculties fight tooth and nail for advantage, I think this attitude of the scientists of M.U.R.A. merits commendation. This is scientific statesmanship.

I earnestly hope, Mr. President, that this high-minded, unselfish attitude will be remembered. MURA scientists are working at this very moment in Madison, Wis., on their third model of a clashing beam accelerator which can put us far ahead of Russia in pure research in high energy physics, and may truly revolutionize the future of mankind. I trust that when these great MURA scientists again come before the Atomic Energy Commission they will be given the same statesmanlike consideration they now give their Stanford colleagues. Incidentally, Dr. Rollefson expressed the hope to me that the MURA research at Madison will lead to the design for the next large accelerator to be constructed in the United States.

Mr. President, I ask unanimous consent that a letter to me from Dr. Rollefson, explaining his enthusiastic support of the Stanford linear electron accelerator, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF WISCONSIN,
Madison, Wis., May 27, 1959.

The Honorable WILLIAM R. PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: I am writing in response to your questions regarding the present progress of the MURA program and the relationship between the MURA and Stanford programs.

First, let me say that we were delighted to learn that the President is going to recommend authorization of the Stanford linear electron accelerator. This is an excellent machine which is essentially a longer model of the accelerator already operating at Stanford, and since it involves no new techniques its performance and cost can be rather accurately predicted. The program will be under the direction of topnotch scientists who have the benefit of several years' experience with the smaller machine.

There are some who argue that it may be a mistake to go ahead with the large electron accelerator (15 to 45 Bev) before the 7 Bev machine at Harvard-MIT is in operation and can give a better indication of what may be expected at these higher energies. A detailed discussion of this point would be out of place here (even if I were prepared to give one). Suffice it to say that a very capable committee looked into the accelerator problem for the President and we know that they sought the best available advice before making their decision.

I should point out that the Stanford and MURA programs are not competitors in a scientific sense but will rather complement one another and give a more complete coverage of the high energy field than would be possible with either machine alone. The Stanford accelerator produces extremely high energy electrons which can be used for such things as probing the charge distribution in nuclear particles. The MURA machine, on the other hand, will produce high energy protons in great abundance, and these can be used for such things as creating beams of the strange new particles and antiparticles which have been discovered recently. These secondary beams of particles can then be used to study in more detail the nature of

the strange particles. In the colliding beam version, the MURA accelerator would produce collisions between particles which are 10 to 100 times as energetic as can be produced in existing accelerators.

So far as the MURA program is concerned, I can report that the single ring, two-way electron model, which was being designed when you visited the laboratory, is now nearing completion. The component parts are all shaping up as planned, the only difficulty being that everything takes a little longer than we should like. For example, although we have two shifts working on the magnets, it will be another month before the measurements and adjustments of field strength can be completed.

In addition to completing the construction of the two-way electron model, we are proceeding with the design and construction of component models for a large accelerator. These are necessary both to aid in the detailed design of a large machine and to enable us to make realistic cost estimates.

In all of the above development work we are receiving excellent support and encouragement from the Atomic Energy Commission. We are being supported by them on a continuing basis as an accelerator development laboratory and it is our hope that these developments will lead to the design for the next large accelerator to be constructed in the United States.

We wish to thank you again for your interest and encouragement and we hope this reply to your questions has not been too long-winded. If you have a few minutes to spare in Madison sometime this summer, it would be a real pleasure to show you the two-way model.

Sincerely yours,

R. ROLLEFSON.

THE AMERICAN ECONOMY

MR. PROXMIRE. Mr. President, the Wall Street Journal on last Friday carried a report by their reporter, Henry Gemmill, which should serve a grave warning on all of us who are concerned with the health and strength of the American economy. We are losing some of our closest and best customers, and if the recent past has brought us bad news in the competitive world market, the future looks far blacker unless we take a long, hard, serious thoughtful look, and then act, and act vigorously.

Mr. President, this article is so timely and so well documented that I ask unanimous consent to have it printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRINGO GRIP ON LATIN MARKETS IS LOOSENED
BY PUSHING UP PRICES—EUROPEANS, JAPANESE EMPLOY THE HARD SELL, SOFT CREDIT
TO PEDDLE MYRIAD PRODUCTS—BUT MR. GRACE IS OPTIMISTIC

(By Henry Gemmill)

CARACAS, Venezuela.—Is another round of wage hikes—for steel and then other industries—likely to price U.S. goods out of world markets? A reporter roaming the Latin lands in America's backyard gets the horse-laugh when he asks that question. It has already happened, to item after item.

John Wynne, general manager of a leading import firm here, Oficina Technica Stubbins, C.A., hails a subordinate on his Intercom and checks competitive prices on an assortment of sizes and types of pipes and tubing—steel, cast iron, and galvanized. In nearly every case, the European quotation runs about 25 percent below the Yankee price.

"We used to represent only American suppliers," comments importer Wynne, "but now if a Venezuelan wants, say, some water pipe, he's not going to take it from the United States unless he's crazy or in a terrible hurry. We've switched over to a British mill—Stewarts & Lloyds."

In Bogotá, capital of neighboring Colombia, a foreign trade expert thumbs through a report on the delivered prices of electric motors, tiny to gigantic, manufactured in the United States, West Germany, Switzerland, and other nations. Without exception, the American models are undercut by at least 20 percent by comparable European motors—and in some instances, by more than 50 percent.

GLASS AND TELEPHONES

In Buenos Aires, Industrias Kaiser Argentina, maker of jeeps and passenger cars, has been importing most of its raw material, including sheet steel, from less costly European sources.

In Colon, Panama, a visitors tours a little factory making louvered windows and store fronts; it's owned by W. P. Fuller & Co. of San Francisco. "We're still getting our aluminum extrusions from Florida," remarks general manager Neil Fuller, "but the glass comes from France and Belgium—it's at least 25 percent cheaper."

In San Jose, Costa Rica, bids were recently submitted to give the neat little country a complete new telephone system, under government contract. They came from a Japanese firm, a British company, and an Italian combine. "A Yankee phone firm had a man down here," a diplomat recalls, "but he said it was no use even going through the motions of trying to meet their prices; he was just rooting for the Italians, who would make their equipment under U.S. license."

For the United States to begin losing its grasp on this segment of the world market is, in a way, quite an achievement. "It takes some doing," wryly comments one U.S. commercial attaché. "Not only are these countries enormously closer to us than to Europe and Japan in terms of physical distance; they've also been closer to us psychologically. They remember vividly that during World War II they found only their American sources of supply remained dependable. Since then, until very recently, these places have been practically our private reserve."

TREND OF THE FIGURES

To a large extent, they still are. Here in Venezuela, for instance, 57.2 percent of all last year's imports, by value, flowed from the United States. But the thing to watch is the trend; this figure compared with 63.8 percent the year before. No other single nation supplied so much as a tenth of total 1958 shipments into this lush market, but again the trend was startling. The West Germans and Japanese surpassed their 1957 share of the market by about 12 percent; the British hiked their share 25 percent; the Italians chalked up a 65 percent gain. Even the Canadians, in this hemisphere, managed a 40 percent advance.

Any attempt to get a sweeping statistical picture of Latin American trade founders on the fact that some countries are still struggling to come up with 1957 figures and have yet to start on 1958. But here and there samples can be obtained which speak loud and clear. Glance, for instance, at a table showing the number of passenger cars brought into little Costa Rica from manufacturing countries during the past 3 years:

	1956	1957	1958
United States.....	530	452	256
Germany.....	103	159	282
England.....	184	232	205
France.....	90	71	129
Italy.....	41	67	76
Others.....	8	16	14

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

CONTENTS

Issued June 3, 1959
For actions of June 2, 1959
86th-1st, No. 89

Agricultural appropriations.....1	Flower.....33	Public Law 480.....1
Appropriations.1,2,9,11,13	Foreign aid.....29	Reclamation.....22
Auditing.....20	Forests.....3,6,15	Reorganization.....8
Commodity loans.....1	GAO.....20	Roads.....15
Cotton.....32	Information.....26,33	Rural development.....23
Electrification.....25,28	Interest rates.....4	Scientific information..26
Expenditures.....5	Judicial officer.....31	Soil bank.....7
Farm labor.....18	Labor standards.....27	Surplus commodities....30
Farm prices.....21	Lands.....6	Tobacco.....10
Farm program.....16,17	Library services.....24	Wheat.....19
Federal-State relations.12	Personnel.....5	Wilderness.....3
	Price supports.....10	Wildlife.....14

HIGHLIGHTS: Senate debated agricultural appropriation bill. Senate subcommittee voted to report Interior appropriation bill (includes FS). House committee reported tobacco price support bill. House passed bill to extend Reorganization Act. House received conference report on Treasury-Post Office appropriation bill. House committee reported public works appropriation bill.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1960. Continued debate on this bill, H. R. 7175 (pp. 8579-83, 8587-8617).

Agreed to an amendment by Sen. O'Mahoney to provide \$120,000 additional for enforcement activities under the Packers and Stockyards Act (p. 8598). Sen. Allott moved to reconsider the vote by which the O'Mahoney amendment was agreed to, and his motion was pending at adjournment (pp. 8607-17).

Agreed to an amendment by Sen. Cooper to increase the FAS item from \$3,518,300 to \$3,668,300, and to reduce the amount of foreign currencies derived from sales under Public Law 480 for expenses of the agricultural attache service from \$1,310,000 to \$1,160,000 (pp. 8606-7).

Rejected, 26 to 51, an amendment by Sen. Williams, Del., to reduce the advance authorization for the 1960 ACP program from \$250 million to \$100 million (pp. 8587-98).

Sen. Stennis submitted an amendment intended to be proposed to the bill which would amend the provision limiting CCC commodity loans to \$50,000 to any person. He inserted a statement which described the purpose of his amendment as follows: "My amendment would permit all producers to use the loans as an orderly marketing tool but would limit the Government obligation at the end of the year to \$50,000. Farmers placing more than this amount into the loan would be required to redeem from the Government any amount over this level" (p. 8603)

Sen. Allott submitted an amendment intended to be proposed to the bill which would provide \$26,000 additional for AMS for reporting direct sales of live-stock at ranges and feed lots in certain Western States (pp. 8607-17).

Sens. Allott and Williams, Del., submitted amendments (not set forth in the Record) which they intend to propose (p. 8561).

Agreed to a unanimous-consent request by Sen. Johnson to provide that beginning Wed., June 3, debate on any amendment to the bill will be limited to 30 minutes, and debate on final passage will be limited to 2 hours (p. 8607).

2. INTERIOR APPROPRIATION BILL, 1960. A subcommittee of the Appropriations Committee voted to report with amendments (but did not actually report) H. R. 5915, the Interior and related agencies appropriation bill for 1960 (includes the Forest Service). p. D422
3. WILDERNESS AREAS. Sen. Neuberger inserted an editorial urging enactment of S. 1123, to provide for the establishment of wilderness preservation areas. p. 8567
4. INTEREST RATES. Sen. Proxmire criticized the "hard-money policy and high interest rates," and urged "a monetary policy which will be helpful to the country." p. 8563
5. PERSONNEL; PAY. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a report on Federal employment and pay for Apr. pp. 8557-61
6. FORESTRY; LANDS. The Interior and Insular Affairs Committee voted to report (but did not actually report) the following bills: p. D422
H. R. 2497, to add certain lands located in Idaho to the Boise and Payette National Forests;
S. 1185, to provide for the preservation of historical and archeological data which might otherwise be lost as the result of the construction of a dam;
H. R. 4748, to extend the leasing provisions of O. & C. and Coos Bay Lands Act to authorize leases to Ore. for recreational purposes.
7. SOIL BANK. Received a Chenango Co., N. Y., Chamber of Commerce resolution recommending the abolishment of "the soil bank bill which calls for the renting of farms." p. 8557

HOUSE

8. REORGANIZATION. Passed as reported H. R. 5140, to amend the Reorganization Act of 1949 so that it will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961. p. 8621
9. TREASURY-POST OFFICE APPROPRIATION BILL, 1960. Received the conference report on this bill, H. R. 5805 (H. Rept. 425). Earlier in the day conferees were appointed. pp. 8620-1

handout. Social security should continue to be compulsory and it should be universal, covering all occupations and professions. Under its provisions people should be able to retire in comfort instead of at a mere subsistence level.

NOW MEDICAL ASSOCIATION SEEKS SPECIAL PRIVILEGE

Recently, in the other body, a Member has introduced H.R. 7295, designed to provide coverage under the Social Security Act for self-employed physicians on a voluntary, or optional, basis. Apparently the physicians this Member states he has contacted since his election to the Congress, seek—as does the ruling clique of the American Medical Association—a special privilege.

Elective coverage under social security law is unthinkable. It would prove actuarially unsound. How could any thoughtful person justify permitting self-employed physicians and surgeons to elect whether or not they desire to be covered by social security? Men and women who are employed accept compulsory coverage with gratitude. Self-employed lawyers and dentists, by huge majority votes in their associations, have evidenced a desire—as have self-employed physicians and surgeons in polls taken by their associations—to come within compulsory social security coverage.

Were self-employed physicians and surgeons to be granted this special privilege, obviously young professional men might not be interested. If they chose not to join the social security system and have that coverage, which gives full retirement payments at the age of 50 in event of disability, and at the age of 65 or thereafter upon retirement, the social security fund would not have the premiums paid in as paid by other professional men at the time of payment of their income taxes. Those physicians and surgeons in their 60's naturally would join the social security system and have the benefit of social security coverage.

Mr. President, obviously, no insurance and survivors system would long continue to be actuarially sound if coverage were granted to certain favored professions on an optional basis.

If a working man, a real-estate agent, or a grocer is required to participate in social security and have its benefits, how can the author of this bill—or, in fact, any physician or surgeon—defend the proposal that older physicians and surgeons may have coverage by paying premiums into the fund for a year and a half, while younger men and women in the same profession may choose not to enter the social security system. Almost immediately the social security fund would be out of balance and become actuarially unsound.

Mr. President, I assert the people's representatives can provide reasonable social security for the less fortunate among us without in any way sacrificing that liberty which we know as the American way of life.

An adequate old-age insurance program, reasonable aid to the unfortunate, and extension of retirement benefits is not statism, nor is it socialism.

If American industry—big business—can afford to pay huge pensions, as it does, to retired officials who do not need them, is it state socialism when the people's representatives impose a tax on industry and on employees and self-employed to pay retirement and total disability payments or social security payments to those who do need them?

Of course, members of the Committee on Ways and Means of the House of Representatives, who are intent on maintaining social security coverage for the employed and self-employed on an actuarially sound basis in accord with its name of old-age and survivors' insurance, will not, in my humble judgment, give favorable consideration to H.R. 7295.

One may safely predict—and I do predict—H.R. 7295 will not, and should not, be favorably considered at any time in the Senate Committee on Finance. In truth, it is an outrageous proposal.

Mr. President, I yield the floor.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. HUMPHREY. Mr. President, the unfinished business is the appropriation bill for the Department of Agriculture and the Farm Credit Administration for the fiscal year 1960.

We discussed the bill at some length yesterday, and during the discussion many comments were made about the general agricultural policy of our country.

I noticed today in the press stories concerning the wheat bill. Let me read a portion of the story which appeared this morning in the Washington Post under the byline of Mr. Bernard Brenner of United Press International, a very competent reporter, one who has a very intimate knowledge of agricultural legislative policies. The story reads:

President Eisenhower said yesterday the failure of the Democratic-controlled Congress to cope with the costly wheat surplus has brought the present wheat program "one step closer to disaster."

The President, who appealed to the lawmakers to enact a workable and less expensive program, issued his special statement shortly after Agriculture Secretary Ezra T. Benson proclaimed 1960 wheat quotas under a law he opposes.

Under the proclamation, which must be approved by the growers in a referendum July 23, farmers would be allowed to plant 55 million acres of wheat next year—the minimum permitted by law and the same as this year.

RISE IN SURPLUS SEEN

Officials said a crop of this size, coupled with present price support levels, probably would add another 150 million to 200 million bushels of wheat to surplus stockpiles, already valued at about \$3 billion.

Mr. Eisenhower said the quotas which Benson was forced to issue under present law "will be a continuation of the existing discredited wheat legislation."

The President said the surplus wheat, already piled up under the program would meet this country's normal wheat needs for 2½ years.

This is a most interesting story. One would think that the legislation under which the Department of Agriculture is operating is legislation which it opposed. According to this story, the President of the United States would have us believe—and I am sure that is because of his lack of understanding of the subject, or lack of factual information furnished to him, because I do not believe the President would personally misrepresent anything—that the wheat policies, and the agricultural legislation referring to wheat are not of his design, not something which was enacted at the request of his department.

What are the facts? It is very difficult to get the facts from the press, primarily because the press reports what the officials of the Department of Agriculture are saying, and the Department of Agriculture has mismanaged the farm program to the point where it cannot afford to say that this program is its own program, so it tries to place responsibility on the back of some other agency, namely, the Congress.

The New York Times of today carries a lead story entitled, "President Terms Wheat Program 'Step to Disaster.'"

Whose program do Senators think this is? It was designed, sealed, and delivered in the White House. I trust the President knew that he was advocating the policies which his own Department had recommended. I have had the reports of the Committee on Agriculture and Forestry examined, as to the recommendations of this administration in the field of wheat.

In 1954 the administration recommended for wheat a parity price support program of from 75 to 90 percent of parity, and it asked for no limitations, no reductions in acreage. It asked for no other changes in the law whatsoever with respect to wheat, except to provide flexible price supports of from 75 to 90 percent of parity.

At the same time, it said that even though it wanted the flexible price supports from 75 to 90 percent of parity, it did not intend to impose a 75 percent price support. In fact, it intended to impose a price support at about 82 percent.

What did the Congress give the administration? I believe Senators will remember the battle in the Senate. They will remember the vetoes which took place with respect to the original bills passed by Congress.

Finally we come back to the administration bill.

In 1954 the Agricultural Act of 1954 was passed. The price support for wheat was 82½ percent for 1955, which was the figure the Department said it would recommend, so we put it into the law as a compromise.

For 1956 the law provided that the support levels might drop to 75 percent of parity, which was the request of the Department of Agriculture and the President of the United States. I was present

at all the hearings. I participated in the debate. I think I have been reasonably diligent in my duties and responsibilities as a member of the Committee on Agriculture and Forestry.

The Senator from Minnesota is saying that the President got the program he wanted. I admit that he did not get it because I voted for it, but he got it. In 1955 he got what his own Department asked for. In 1956 he got what his own Department asked for. He wanted from 75 to 90 percent of parity, and he received it from the Congress.

In 1955, according to the testimony of his own witnesses, he wanted 82½ percent of parity, and he obtained it. He wanted no acreage reduction, and that is the way Congress left the law.

There is the record for 1954. In 1955 the administration asked for no wheat legislation. What about 1956? In 1956, as my colleagues will recall, we passed another bill, which was vetoed. So the same law, with provision for from 75 to 90 percent of parity, was on the books. The same law of 1954 with regard to flexible price supports was on the books.

What did the administration ask for in 1956, and what did it get? The so-called acreage reserve program was requested. That was the rich man's soil bank. That was the "golf club program." The administration asked for it, and it got it. Advertisements appeared in all the newspapers of America regarding the 10 points which the administration wanted for a farm program; and the administration received such a program, including the acreage reserve program. We authorized the program for 4 years, which was the request of the administration. It asked for annual expenditures of \$750 million, and it obtained more through supplemental appropriations.

It asked for a continuation of the program providing from 75 to 90 percent of parity. It obtained it. Senators will remember that the first farm bill passed by Congress in 1956 was vetoed.

The administration asked for an expansion of the noncommercial wheat areas. I say to my good friends of the fourth estate that the administration asked for expansion of acreage, and it obtained it—not with my vote, but it was granted by the Congress.

It will be recalled that in 1956 the bill was vetoed—from the golf course. It was vetoed from Augusta, Ga. I believe it was at the eighth hole where the golf players stopped. Or was it at seven and one-half? Somewhere along there, at any rate. It was vetoed from the golf course.

They asked for an extension of the exemption from controls on Durum wheat. They got it. The administration asked for an exemption of feed and seed wheat from any controls. It wanted established the 30-acre exemption, to permit a farmer to plant 30 acres if he would use it for feed on his farm, with no controls. The administration got that too.

After President Eisenhower vetoed the Humphrey farm bill, and got through another bill by a close vote, what did President Eisenhower say? He said that the price support for wheat would be

what his own Secretary of Agriculture had announced prior to that time.

The Secretary had said that the price support would be approximately \$1.81 a bushel, or 75 percent of parity. After he had vetoed the bill which Congress had passed, the President decided to throw out a few more crumbs to the folks. He established, after he had vetoed the bill we had passed which had contained controls, arbitrary prices on wheat and feed grains, at a higher level than had previously been announced by the Secretary of Agriculture. After the veto from Augusta—the "golf course veto"—the President announced the price support on wheat at 82.6 percent of parity, or \$2 a bushel, as compared with the previous announcement of \$1.81. That is a matter of record.

In 1956, therefore, the price support on wheat was \$2 a bushel, by administration announcement.

What happened in 1957? In 1957, the administration asked for the acreage reserve. That was agreed to. They asked for a range of from 60 to 90 percent for the basic commodities. The Secretary said he did not plan to go below 75 percent. They did not get the 60 to 90 percent provision. A range of from 75 to 90 percent was retained, which was what they had asked for when they talked about the terrible mess they would have to clean up in Washington in 1952. That was the 90 percent mess. They wanted flexibility. They got it. They got a provision allowing from 75 to 90 percent of parity.

In 1958, both Houses of Congress passed a bill to hold the price supports at the previous year's level, and the President vetoed it.

In 1959, the President of the United States, through the Secretary of Agriculture, his agent, asked for a wheat program which called for the abandonment of all controls. There would be no controls. It would be just like the corn program, under which there are now being planted approximately 90 million acres, as compared with 72 million acres previously. Every person who predicts crop production says that this year we will have the largest corn crop in the Nation's history, at a guaranteed price of from \$1.10 to \$1.12 a bushel, at 65 percent of parity, and unlimited production.

That is what they have asked for in connection with wheat, namely, an abandonment of controls. They ask price supports of 75 to 90 percent of the previous 3-year average market price or 0 to 90 percent of parity for 1960, 1961, and 1962, with a 50 percent increase in allotments. That means more acres and more production. Then, in 1963 and thereafter, there would be no allotments, no quotas—no controls—and price support would be set at 90 percent of the previous 3-year average market price—a beaten down market price—or at 0 to 90 percent of parity.

I ask Senators to listen to this—their preferred plan is to increase allotments by 50 percent through 1962, and then to abandon all allotments and quotas. In other words, we would increase the allotted acreage under price supports by

as much as 50 percent through 1962, and then abandon the allotments.

What does the administration now have, therefore, as a wheat program? The wheat program of the administration is the flexible price support program. The wheat program of the administration is far from 75 to 90 percent of parity. The wheat program of the administration is what they asked for, with one exception. They have asked to do to wheat what was done for corn. I say there is no use in cutting one's throat twice. There is no responsible agricultural economist in the country who does not know that this year the corn production will be from 20 to 30 percent greater than last year, unless God Almighty stops it. That does not include anyone in the administration, no matter what they think of themselves. [Laughter.]

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. The Senator from Minnesota is making a very excellent speech, and he is prophesying with a great deal of accuracy that this country faces the largest corn crop in its history; and that, weather permitting, we may be on the threshold of one of the largest wheat crops in the Nation's history. The Senator from Minnesota was responsible for furnishing the leadership for the only two good farm bills which passed Congress, both of which were vetoed by the President of the United States. I wonder if he would tell the Senate how much the cost of the farm programs was between 1933 and 1953.

Mr. HUMPHREY. The total net loss during that period was slightly in excess of \$1 billion.

Mr. MANSFIELD. Could the Senator tell us what the cost of the farm programs was, or how much the cost has increased since January 20, 1953?

Mr. HUMPHREY. The committee report of the other body tells us that in 1953, as of June 30th, there were approximately one-half million dollars worth of supplies in the possession of the Commodity Credit Corporation. On June 30, 1959, there will be \$9½ billion worth. It is predicted that by January 1960, commodities valued at approximately \$10½ billion will be in the possession of the Commodity Credit Corporation. The vast increase in the Commodity Credit Corporation's holdings is, I suppose, percentagewise, approximately 375 percent greater than it was 6 years ago.

Mr. MANSFIELD. It is my understanding that the cost of maintaining the parity program for the farmers has increased by 700 percent under Mr. Benson.

Mr. HUMPHREY. The total cost—that is the total amount of the losses involved; that is correct.

Mr. MANSFIELD. I understand that the amount of the surplus products in storage has increased 7 times over. Is that correct?

Mr. HUMPHREY. The amount of the ownership by the Commodity Credit Corporation. There is a difference between ownership and loans. The amount of ownership; yes; that is correct.

Mr. MANSFIELD. Yet the administration had promised, at the same time, that it would reduce the payroll of the Department of Agriculture. What has happened to the payroll of the Department of Agriculture, from the standpoint of the number of persons employed since January 20, 1953?

Mr. HUMPHREY. It has increased by about 18,000. At the same time we have about 800,000 fewer farmers. Let us say that there are, in general, fewer farmers than at any time in the Nation's history. We are spending more money than at any other time in the Nation's history, and we have more Department of Agriculture employees, who are spending that money on fewer farmers than at any other time in the Nation's history. At the same time there are approximately 18,000 more people on the public payroll who are living off the backs of fewer farmers.

Mr. MANSFIELD. The farmer is supposed to be the one who is feeding at the public trough, and we are told that he is the only one in the country who is participating in that adventure.

Mr. HUMPHREY. The Senator's statement cannot be disputed.

Mr. MANSFIELD. But he is not the only one who enjoys subsidy or parity, as we who come from the farm and ranch country call it. What other segments of our population participate in the enjoyment—if I may use that word advisedly—of a subsidy, so that they could be given some degree of security in their struggle with other segments of the economy?

Mr. HUMPHREY. I read not long ago an editorial published in Life magazine about the so-called farm fiasco or farm policy fiasco and I intend to say a few words about it some time this month. The editorial, as the Senator from Montana knows, condemned subsidies.

Mr. MANSFIELD. Did Life magazine mention the subsidies it has been receiving for 20 years?

Mr. HUMPHREY. Oh, no. Subsidies are good for Life, but they are very bad for the moral fiber of farmers. In other words, while Life has grown more prosperous and its circulation has expanded with subsidies—the good, old-fashioned subsidies through the Post Office Department—when Mr. Farmer gets a little subsidy, that is bad, real bad. Nevertheless, one is as much a cost to the taxpayer as is the other.

Of course, there is a price-support program for the merchant marine, a very effective one.

Mr. MANSFIELD. And for the railroads.

Mr. HUMPHREY. The Senator is correct.

Mr. MANSFIELD. And for the steamship companies.

Mr. HUMPHREY. Certainly.

Mr. MANSFIELD. The tariff, which has been in existence for 180 years, is really a subsidy for business in general.

Mr. HUMPHREY. The Senator is correct.

Mr. MANSFIELD. There is a price-support program for newspapers.

Mr. HUMPHREY. The law provides for the free distribution of newspapers

at the county level. I doubt that farmers get free transportation of their commodities at the county level. Mind you, Mr. President, I am not complaining about the right of county newspapers to free distribution in the county; I think that is fine.

Mr. MANSFIELD. We are not complaining about any of those subsidies.

Mr. HUMPHREY. No; on the other hand, we simply do not think the other groups should go around pretending that they are purer than Ivory soap.

Mr. MANSFIELD. The farmer is supposed to be fairly prosperous in this period of time, is he not?

Mr. HUMPHREY. According to the reports we hear, from the Department of Agriculture, they are said to be very prosperous.

Mr. MANSFIELD. Do not the figures of the Bureau of the Census show that today in the United States 1,400,000 farm families are earning less than \$1,000 a year?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. MANSFIELD. That is according to the figures of the administration's own Bureau of the Census, is it not?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. I thank the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Montana, who has again given to us, in his concise and accurate manner, a very revealing description of what is happening in the farm areas with respect to the farm program.

Mr. President, my purpose in rising today to speak on this particular subject matter is simply to set the record straight. Now let me set it straight. I have reported accurately the requests of the administration for legislation. I have reported accurately what the administration has obtained from Congress.

I say to the President of the United States that in 1956 he himself announced price supports for wheat at 82.6 percent of parity. I also remind him that it was his administration which proposed a price support of \$1.25 a bushel for corn—on all the farmer could produce—without any controls. From that day on, the corn farmer has been in trouble.

I also point out that what the administration are now asking for is lower price supports and the removal of controls for wheat. But the lower price supports for which they are asking are 90 percent of the average of the market price for 3 years. The lower price supports will be practically the same as the price supports which now exist under the very program which the administration says is leading the farmers to disaster. After 3 years all controls are removed and production supported at 90 percent of the average market price. So what it amounts to is to say to the wheat producers everywhere in America, in commercial or noncommercial areas, "You need comply with no regulations, no marketing controls, no acreage controls; you can simply plant, plant, plant."

Mr. President, what do you think will happen to production? What has been the record? The record is that when

that kind of program takes effect, production zooms.

I have here the production figures. In 1954 the support price for wheat farmers was 90 percent of parity, and the total wheat production in that year was 984 million bushels.

In 1958 the support price was 75 percent of parity, and wheat production was 1,462 million bushels.

In 1956 the support price was 82.6 percent of parity, and wheat production was 1,004 million bushels.

In 1954, with the support price at 90 percent of parity, wheat production was 984 million bushels.

In 1953, according to my memory—I shall ask one of my staff aides to verify this—the price support was 90 percent of parity, and slightly more than 1 billion bushels of wheat were produced.

When price supports are reduced to 75 percent of parity, is there a reduction in production? When price supports are reduced to 82 percent of parity, is there a reduction in production? There is not. Production increases. When farmers are required to take less under any kind of price support program, they either plant more or fertilize the land, thereby getting a larger yield from each acre.

Every Senator knows that that is so. Yet the administration insist upon having the American people believe that the wheat program which they are administering is something which was forced down their throats.

I want the RECORD to be very clear. I stood in Minnesota, I say to my Republican colleagues, not once, but many times, and heard the Secretary of Agriculture say, "Give us flexible price supports; give us price supports of from 75 to 90 percent of parity; and we will remove controls, balance production, and raise prices."

In fact, Mr. Eisenhower himself said he wanted 100 percent of parity. I want to go back to the record. In 1952 he spoke in Columbia, S.C.; Brookings, S. Dak.; Fargo, N. Dak.; and Cowville, Minn., and promised the American farmer 100 percent of parity.

As the Senator from Montana [Mr. MANSFIELD] himself has so helpfully reminded me, the statement was made with no ifs, ands, or buts. It was a powerful statement.

The administration expected Congress to push through the bills it wanted. But I have not been cooperative in that respect; I have been a rather obstreperous fellow. I have bucked the administration all the way. The laws now on the books are the ones which this administration asked for; yet it is this administration which now says that the program is leading to disaster. When did they get that foresight? When did they get that prophetic knowledge? They surely did not have it last year. They did not have it the year before. What is more, every program which this administration has asked for has led to even more disastrous consequences than the one in the preceding year. So I think the administration would be better off and better advised if it stuck to the facts.

Mr. President, some farm legislation will be passed at this session of Congress.

But I make the assertion now that if any is passed which is any good, it will be vetoed. If any farm legislation is passed at this session which provides effective controls along with meaningful price supports, it will be vetoed.

The senior Senator from Minnesota believes in certain fundamental principles of agricultural policy. First, I think there must be great emphasis on the soil conservation program over and above what exists at present. I support the so-called agricultural conservation program. I oppose the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

I believe that the soil conservation program is good national policy. I support the conservation reserve program, which was the legitimate soil bank. Mr. President, I cannot help but remember that back in 1956 the administration first opposed the so-called conservation reserve; the administration did not favor it. I have the exchange of correspondence, which was entered in the RECORD. We then called it the conservation reserve; but the administration did not favor it. But then, one day, during the debate, either in this body or in the other body, some Member used the words "soil bank." When the administration heard the word "bank," it immediately said, "That's for us." [Laughter.] The word "bank" made the conservation reserve acceptable to the administration; and from that time on, the administration favored it. However, instead of making the soil bank of benefit to the depositors, the administration came up with the acreage-reserve program, which was a means of taking acreage out of production in the case of wheat, corn, and the other supported agricultural commodities. In that way the administration removed millions of acres from production. However, the administration did not thereby reduce the production.

Do you know why that was, Mr. President? It was because while the administration was removing large numbers of acres from production, it was reducing the price supports. I do not know of any better way to describe accurately the result of the reduction of price supports than to use the words which were used in this Chamber a short time ago by the distinguished Senator from Indiana [Mr. CAPEHART], who, with his customary frankness and candor, said that an agricultural policy which is based on lower supports does not reduce production; all it does is reduce the number of farmers and reduce agricultural income. Mr. President, I repeat all that is accomplished by an agricultural policy which is based on lower price supports is a reduction of the number of farmers and a reduction of agricultural income.

What we need, Mr. President, is, first, conservation; second, expanded farm credit; third, research, not only in regard to production, but also in regard to new uses for agricultural commodities, both for consumption by humans, for consumption by animals, and for industrial uses.

Then we come to the question of the type of economics required. If we provide the farmer with a price support for an agricultural commodity which is in excess supply, he should be willing to accept production controls. I repeat, Mr. President, that if a farmer is to receive a price support in the case of any agricultural commodity which is in excess supply, he should be willing to accept production controls. Those production controls may be acreage controls or acreage limitations or marketing quotas. I prefer that the controls be in terms of bushels or other units—bushels, pounds, or bales. I do not believe in providing price supports on agricultural commodities that are in excess supply, unless there are production controls.

However, Mr. President, this administration believes to the contrary. This administration talks about removing controls—which it is doing; but at the same time it maintains diluted price supports—for instance, 65 percent of parity price supports on all a farmer can produce, or 60 percent of parity price supports on all a farmer can produce; but the administration does not provide controls, even where there are fabulous quantities of surplus stocks.

The other principle in which I believe is that a Secretary of Agriculture should be empowered to use a variety of means to assure income protection and price supports; crop loans, such as we have under the Commodity Credit Corporation program; timely purchases in adequate amounts, which are needed today in the case of eggs and poultry, but which this administration refuses to do; compensatory payments; production payments. All of these—crop loans, expanded credit, compensatory payments, and purchases—should be a tool kit offered to the Secretary, for him to use in a farm program. He should be allowed to use any one that he finds usable or adaptable to the situation.

But I repeat that when a farm producer receives a guaranteed price, particularly in the case of a commodity which is in excess production, he should be required, and he must be required, to accept controls.

I repeat that this administration talks about lower price supports and no controls; and what it is doing is wrecking the farm economy.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER (Mr. PROXMIER in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Mr. President, I am very glad the Senator from Minnesota has made this point. He and I have joined in sponsoring an amendment to the pending bill; and our amendment requires the imposition of either acreage controls, production goals, or marketing practices in the case of every commodity planted after the first of next January for which price supports are provided.

Mr. HUMPHREY. The Senator from Illinois is correct; and I think such a provision is long overdue.

Mr. RUSSELL. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. RUSSELL. I do not wish to be estopped from differing with the distinguished Senator on the amendment. As I see it, nothing in the amendment would require the Secretary of Agriculture to take affirmative action to provide acreage allotments.

On the contrary, as I understand the amendment it would give the Secretary of Agriculture an excuse to annul any price-support program, which I believe he has been seeking to do all along. I think he wants to make price supports as unpopular as he can.

So I hope the authors of the amendments will study it further, because I do not believe it will accomplish what the Senator from Illinois has said it will.

As the amendment now stands, it will merely give the Secretary of Agriculture an "out"—an excuse for not providing any support program whatever. If this amendment were to be adopted, he would say that this Democratic Senate wrote into the bill a provision which prevented him from supporting any commodity at all.

Mr. DOUGLAS. Let me say that I recognize that the Secretary of Agriculture is a sort of Houdini who seeks to escape from the tight restrictions placed upon him by Congress; and I also recognize that it is hard to hold him in line with the requirements of the law. But I believe we shall close this escape hatch by means of a further amendment which I intend to propose later on, as a modification of this amendment.

Mr. RUSSELL. I shall await the further amendment, because I am confident that this amendment will merely provide the Secretary of Agriculture with an excuse for doing something he has been trying to do for a long, long time.

Mr. HUMPHREY. Mr. President, the observation of the Senator from Georgia is well made. As will be recalled, yesterday I asked that the Senator from Illinois have the amendment printed. It has been printed, and a copy of the amendment is now on the desk of each Senator.

I think the Senator from Georgia has raised a very valid point, and one of which we shall take cognizance; and we shall make sure that what he has cautioned against does not become a reality, because none of us would want to provide the Secretary of Agriculture with an escape hatch by which he could avoid carrying out the declared desires of Congress.

Mr. President, there have appeared in the press many articles and comments in regard to the agricultural program and the present situation in that connection. I read the large metropolitan newspapers, and I take note of such articles. Of course the wheat program is in trouble; indeed it is. But for the moment, Mr. President, let us not attempt to assess the blame. Instead, let us simply ask whether the administration has requested a decrease in the number of acres planted or whether it has requested abolition of price supports or

whether it has requested production controls. The answer is unmistakably and unqualifiedly "No." Despite the fact that literally billions of dollars are tied up in wheat in Commodity Credit Corporation storage, the administration's preferred proposal is to lift the controls and to expand the acreage and to make a very modest reduction in price supports. No one can show that by reducing price supports, production is reduced, unless supports are reduced to such a level that the entire agricultural economy is literally dried up, by driving the people off the land.

That was done in Russia, Mr. President; but in Russia it was done in a crueler way, although a more direct way; the Russian Government simply used the troops and the secret police to drive the farmers into the collectives, and to drive the farmers off their own farms.

Mr. President, we do not believe in such things. We do not believe in collectives, either private or public.

I believe that the farm program which is needed is one which will carry out the purpose of the Agricultural Adjustment Act of 1938, which is still on the statute books. The purpose of that act is to have a Government policy which will bring to the farmer full parity, his fair share.

All I ask of those who write the articles and report these statements is that they examine the record and honestly ask themselves whether any proposal which the administration has made in regard to wheat will reduce production by as much as 1 million bushels or, in fact, whether it will reduce production by as much as 100 bushels. Is there any proposal which the administration has made which will reduce the burden upon the Commodity Credit Corporation? The administration's proposals are still for price supports; the administration's proposals are for expanded acreage, on the one hand; and no acreage limitations, on the other hand; and all of this adds more and more stocks to those now in the hands of the Commodity Credit Corporation.

What we need to do, if we are to have a price support program, is to have one that contains an incentive big enough so that farmers are willing to accept controls and production limitations.

Let me say to my colleagues in this body who once used to praise the farmer committee system, that was the heart and the core of an effective agricultural program. The farmer committee system resulted in democratically and freely elected farmers from their own communities to supervise the farm programs, to measure the fields, to administer the program, just as a township board administers the affairs of a township, and just as a county board administers the affairs of a county. Now, in every county throughout America we have county managers, some of them having come right from Harvard, skilled in agricultural economics, but, I may add, having very little information about some of the communities in which they work.

I received a while ago a letter from a distinguished gentleman from the great State of Ohio. The letter reads:

MY DEAR SENATOR: Permit me to introduce myself. I was a member of the Ohio A.A.A. and P.M.A. State committee from 1936 to 1952, when I retired. I was chairman of the committee from 1946 until my retirement. My old friend, Chas. W. Stickney, was chairman in your State at that time.

Now to what I want to tell you. Yesterday I received 17 cents a dozen for my eggs. I decided to sell half of my hens. I found the price I would get was 12 cents a pound.

We operate a dairy farm and are under continual pressure from the various inspectors who do everything from count the fly specks on the windows to measure the depth of the litter in the tromp shed. The only reason for the action of these little Hitlers we can figure out is that our operation is not considered a big one. With stricter and even unreasonable requirements the price of our grade A milk dropped 30 cents last month.

Our milk must get wide distribution as we are inspected by a chain retailer, two city health departments and occasionally others. All claim jurisdiction since our milk goes into the tank from which the milk sold in their balliwick comes.

That's enough in the complaint department.

What I am more concerned about is the position of we farmers nationally.

The files in the Secretary of Agriculture's office are full of tests made of various plans to improve the farmer's economic position. Apparently they are now being read and the ones that were found least beneficial are being used to save the day.

Programs once effective are now found to be ineffective. Around 85 percent of our farmers used to cooperate, now only a few do.

The only change was in the national administration.

This gentleman goes on to explain his philosophy of agricultural production. Here is a farmer, a man who has spent a lifetime in agriculture, who was a public servant in the great State of Ohio, elected from 1936 to 1952 by his fellow farmer neighbors, a member of the old PMA committee or AAA committee, chairman of the State group from 1946 to 1952; certainly he knows of what he speaks.

I know in my own State of Minnesota, the farmer committee system is the heart and core of the whole farm program. The only way compliance can be had in any program is to have the farmers trust that committee system. It is fair to say that in 1950, 1951, and 1952, from 75 percent to 85 percent of the farmers complied with the program requirements. Less than 35 percent comply today. Why? They have lost faith in the farm program.

It seems to me this is what needs to be remembered: The program is not only a failure in Washington; it has been repudiated in the country. I call upon those who publish the news for the American people to tell them that the program being called upon to be used today is the Eisenhower program, the Benson program, the flexible price support program. It is their program, and it is a failure. I have a feeling, gained from the Senator from Georgia, that it was so designed.

PERSONAL STATEMENT—NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. MORSE. Mr. President, I rise to discuss for a few minutes what I consider

to be a very delicate matter, but never have I hesitated in my years in the Senate to discuss delicate matters if I felt they involved a question which ought to be publicly discussed in the public interest. I discuss this one, Mr. President, because I am very much saddened by two telephone calls I had this morning, and also saddened by a press announcement I have just taken off the ticker.

I was called this morning by two very prominent Jewish leaders in America, who advised me that their offices had received a great many telephone calls making the allegation—which they said they knew was false—that much of the opposition to Admiral Strauss that has arisen in the Senate of the United States is anti-Semitic. Now, Mr. President, we must face up to this question. These Jewish leaders may be heard from later. They made very clear to me that they are very much concerned about it, and they think it is very unfortunate that such a false bit of propaganda has been circulated.

I told them that, in view of my confidence in them, and the reliability of their statements to me, I intended to call the attention of the Senate to the type of propaganda which apparently has been circulated by those who wish to put a false accusation upon those of us who are opposing the Strauss nomination.

I came to the floor of the Senate, Mr. President, to report these telephone conversations and upon my arrival I noticed an AP dispatch which reads as follows:

A Republican Congressman said today, "It is being impressed upon me constantly that opposition to the confirmation of Lewis L. Strauss, as Secretary of Commerce, is based on religious prejudice.

"If this is true, it revolts me as an American citizen," Representative STEVEN B. DEROUNIAN, Republican, of New York, said in a statement for the CONGRESSIONAL RECORD.

Strauss is a Jew, a trustee of the Jewish Theological Seminary and a past president of Congregation Manu-el in New York.

His nomination by President Eisenhower to the Commerce post precipitated the bitterest Senate controversy in recent years over confirmation of a Cabinet appointee.

However, there has been no mention in the Senate of religious considerations; disputes have centered about Strauss' policies when he was Chairman of the Atomic Energy Commission and the answer he has given under Senate committee questioning.

DEROUNIAN said in his brief statement, "I have repeatedly refused to believe, but it is being impressed upon me constantly that the opposition to Acting Secretary Lewis L. Strauss, in reality, is based on religious prejudice."

DEROUNIAN is a former president of the board of trustees of the First Presbyterian Church, Mineola, N.Y.

Mr. President, I am glad that Representative DEROUNIAN stated what had been reported to him, because I feel that one of the great strengths of democratic government is to be found in a frank public discussion of such issues as this once the issue is raised.

I think my colleagues know that I need to yield to no man in the Senate of the United States in opposition to any semblance of anti-Semitism; in opposition to any semblance of religious intolerance; in opposition to any semblance of dis-

crimination anywhere in American life based upon race, creed, or color.

But I am opposed to the confirmation of the nomination of Admiral Strauss, and in my opposition I join with some of the great men in the Senate of the United States, in my opinion—and there are great men on the other side of the issue, too.

I think the time to stop this kind of vicious anti-American and un-American propaganda, Mr. President, is when it first bursts forth, and that is why I discuss this delicate subject today.

I hope, Mr. President, we will hear no more of it, because I am satisfied there is not a scintilla of truth in any such vicious propaganda which may emanate from any quarter in the belief that by spreading this kind of vicious un-American propaganda some sympathy may be aroused for the nominee.

It so happens, Mr. President, that on May 19, 1959, I answered a letter which had been written to me by Mr. Bernard Postal, the editor of the *Jewish Digest*, 3459 Frederick Street, Oceanside, N.Y. It was the second letter which I had received from Mr. Postal, and he very properly in his second letter expressed regret that he had not received a reply to the first letter. I mention that because in the first paragraph of my reply, which I shall read to the Senate, I state he had not received a reply to his first letter not because of any inclination for my part not to reply to him but simply because I had not had time to get around to answering all my mail.

Because this letter, I think, is an interesting exhibit, in view of the charge of anti-Semitism which is now being propagandized in the country, apparently in an attempt to becloud the Strauss issue, I want to read my reply to this Jewish editor.

Before I do that, I wish to say I think it is well known in this body that on many, many an occasion in 15 years of service in the Senate I have spoken in support of Jewish drives conducted by the United Jewish Appeal, the Anti-defamation League, B'nai B'rith, Jewish bond groups, and other Jewish organizations.

There can be no doubt that the position the Senator from Oregon has taken throughout his public life has been in support of any program which sought to protect this minority group, as well as any other minority group whenever the heads of bigotry and prejudice and intolerance have reared themselves against any minority group, including Jewish groups.

Mr. President, I pass judgment on the qualifications of each nominee irrespective of his religious faith. In my judgment, Strauss is disqualified to be Secretary of Commerce, but he is disqualified, in my judgment, on the basis, in my opinion, that he does not meet at least two of the four historic criteria which the Senate of the United States has applied over the decades under the advice-and-consent clause of the Constitution of the United States.

Those criteria are: First, character and mental soundness; second, loyalty to

our form of government; third, freedom from conflict of interest; and, fourth, general competency necessary to perform the duties of the office.

I have said, and I shall say at greater length during the debate on the nomination of Mr. Strauss, I do not think he possesses the character which would qualify him for the job. I do not think he has the sensitivity for veracity which would qualify him for the job. I think time and time again he has demonstrated an arrogance and a lack of cooperation with the Congress of the United States which reflects upon his character. Second, I do not think he shows the sensitivity in regard to the conflict-of-interest criterion which would qualify him to be Secretary of Commerce.

When the total record is considered, Mr. President, I do not think Strauss has the quality of competency which would entitle him to have his nomination confirmed. It will be in respect to those criteria that the debate will proceed, so far as the senior Senator from Oregon is concerned.

Mr. President, today I desire to answer the anti-Semitism charge, about which the two Jewish leaders called me this morning. As Jewish leaders, they said they resented the fact that the charge was being made, because they knew there was not the slightest bit of anti-Semitism involved in the opposition of any Member of the U.S. Senate toward Admiral Strauss.

Mr. President, because I wrote this letter to Mr. Postal, the editor of the *Jewish Digest*, long before this matter arose this morning, I wish to read the letter for the *RECORD*, because it bears on the broader problem in regard to the relationship of religious faith and qualifications for public office:

MAY 19, 1959.

MR. BERNARD POSTAL,
Editor, *The Jewish Digest*,
Oceanside, N.Y.

DEAR MR. POSTAL: The only reason that your earlier letter referred to in your last letter of May 13 has not been answered as yet is because my mail has simply been too heavy for me to answer it as rapidly as I would like to do. However, in view of the fact that your last letter has been called to my special attention, I am glad to give you this reply to both letters.

In the first place let me say that I think your question assumes as fact a proposition I am not sure exists in fact. You say, "Now that most Americans seem agreed that a Catholic could be nominated and elected President by either of the two major political parties * * *." I certainly hope that such is the fact, but I am not sure it is.

One of the saddest experiences I have is reading the mail that comes across my desk that still shows that a great deal of intolerance and racial and religious bigotry exist in our country. In replying to such mail, as well as in my public speeches, I have tried to make clear over and over that no one can justify opposition to any candidate for office in our country because of his religious faith or his racial origin. I certainly would not hesitate to support a candidate for the nomination of the Democratic Party in the 1960 election because he might be either a Catholic or a Jew.

On the other hand, I think we all have to be on guard against another danger that I think also stems from prejudice and intolerance.

I refer to the tendency on the part of many to criticize anyone who opposes the candidacy for high office of one who may be Catholic or Jew by reading into that opposition a false accusation that it is motivated by the fact that the particular candidate is a Catholic or a Jew. For instance, as you know, I opposed the nomination of Clare Boothe Luce to be Ambassador to Brazil. My opposition had nothing whatsoever to do with the fact that she is a Catholic. Yet, I am sure you would be surprised at the amount of mail I have received from people who simply imply that my opposition to her was based on the fact that she is a Catholic. It so happens that the mail I received, which was voluminous, overwhelmingly supported my opposition to Mrs. Luce. Nevertheless, I was saddened by the fact that there were those who wrote in who jumped to the conclusion that my opposition was based on the fact that she is a Catholic.

In view of the fact that you are the editor of the *Jewish Digest*, I want to respectfully suggest that it has been my observation there is a tendency among too many Jews to make a false assumption that, if anyone opposes a Jew who is a candidate for public office, it must be because of some prejudice against Jews. The point I want to stress is that the individual candidate, as far as I am concerned, must be judged on the position he takes on legislative and governmental issues. I don't care a hoot about his religion or his race, but, if he takes a stand on issues that, in my judgment, is not in the public interest, I shall oppose him and my opposition will have nothing whatsoever to do with the matter of his religion or his national origin.

In the 1958 campaign, I made more speeches for the Democratic National Committee in behalf of candidates to the U.S. Senate than any other Member of the Senate. In several instances those candidates happened to be Catholic. My support of them was based upon their statesmanship and upon their stand on issues. However, in campaigning for some of them I was a little disappointed to discover that there were groups in their States who were urging that they be elected because they were Catholic and, on the other hand, groups who were urging that they be defeated because they were Catholic. I think both groups were on very unsound ground.

In my judgment, what is needed most in American politics on this issue is that all Americans who believe in first-class citizenship for all of our people, irrespective of race, color, or creed, make it perfectly clear that they are going to judge candidates on the basis of the stand they take in the public interest on specific legislative and governmental issues.

Sincerely yours,

WAYNE MORSE.

Mr. President, I have discussed this delicate question because I think that is the only way to keep democracy strong. When such ugly misrepresentations arise, and this kind of vicious propaganda seeks to smear the landscape of American democracy, we ought to be willing to get out the Senate debate cleansers and clean up the situation.

I hope this will be the last time it will be necessary for me to say that those who are calling Jewish leaders, such as the two who telephoned me this morning, and asking them to get busy and support Strauss because the opposition to him is based upon anti-Semitic forces in the Senate are doing a great disservice to American democracy. I say most respectfully that they are following an un-American line.

otism on the part of each individual. I do not think any of our colleagues will vote on the basis of the nominee being of the Jewish faith, and I hope that no Senator will allow that thought to intrude in any way into his consciousness.

I have received letters from many persons who, from their names, I would take to be Jewish, who are either for or against Admiral Strauss. That is eminently proper; that is the American way.

I appreciate the views of the Senator from Oregon and his bringing this matter to our attention in an endeavor to put it in focus in his way. I hope, perhaps, that I may help to put it in focus in my way. I hope and trust the fact that Mr. Strauss is Jewish will not intrude in any way into our discussions. I emphasize, either in an affirmative or a negative way, either by rebutting it or confirming it, for it does not belong to the considerations of the Senate of the United States.

It is my deep conviction that it does not intrude in the consciousness of the overwhelming majority of the citizens of the United States who are of my faith.

Mr. MORSE. Mr. President, I wish to comment, first, on the latter part of the statement made by the Senator from New York, namely, his comment with regard to the alleged anti-Semitic charge. I completely agree with his observations. I only emphasize that when the charge is raised, this is the place to answer it. That I sought to do. I thought I was in a particularly good position to do it. I am glad I have done it, because I think it would be a disservice to the nominee, a disservice to American Jewry, and a disservice to the American people generally, if that charge were not once and for all answered on the floor of the Senate. When Associated Press dispatches began to appear on the ticker concerning the subject, I felt something should be said here.

As to the first part of the Senator's comments, I know his high regard for Admiral Strauss. I simply do not share it.

I rest my characterization in the tradition of open, forthright debate in the Senate of the United States. The pages of the CONGRESSIONAL RECORD are replete, over the decades, with opposition to nominees. The comments have, in my judgment, been characterized by the same vein of opinion as that I have used in characterizing Mr. Strauss. Then the proof in support of those charges has been taken into consideration by the Senate, and the character of the nominee has been adjudged. I am always glad to submit my case on that basis, and I always shall.

I do not believe Mr. Strauss has demonstrated that he has either the understanding or the faith in the democratic legislative procedure which I think are essential in a democracy. That will be one of the reasons why I shall disapprove his nomination, so far as my vote is concerned.

Mr. JAVITS. I hope very much that our remarks will be understood with re-

spect to what I really think is the timely phase of our discussion, which really is not about the Strauss nomination. There will be plenty of time to debate that. The Senator from Oregon will debate it, and perhaps I will, too. But it is the latter matter which concerns me. I am of the Jewish faith. I think it lies very much in my mouth to speak as I have. Therefore, I hope that our statements taken together will lay that question to rest, and that we may proceed to debate the nomination on its merits.

Mr. KEATING. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. KEATING. I would be less than honest to myself and the obligation which I hold in the depth of my feeling in this matter were I not to say that I share emphatically the views expressed by my colleague, the distinguished senior Senator from New York [Mr. JAVITS], with the possible exception of his statement that he agreed with the Senator from Oregon more times than he might have agreed with Lewis Strauss. I am prepared to meet that as each issue comes up by itself.

But I know Lewis Strauss. I believe him to be a man of character, integrity, and accomplishment. In that respect, the Senator from Oregon disagrees with my view.

I simply hope that the issue which has been raised here today will be set at rest in this debate once and for all, and that we will not hear it again during the debate, because I do not believe it to be in the finest traditions of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 758. An act for the relief of Viktors Neimanis;

S. 1197. An act to amend the Atomic Energy Act of 1954, as amended; and

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the House had passed a bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961, in which it requested the concurrence of the Senate.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961, was read twice by its title and placed on the calendar.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. RUSSELL. Mr. President, I should like to remind Senators that the measure now before the Senate is House bill 7175, making appropriations for the maintenance of the Department of Agriculture for the fiscal year 1960.

In the hope that we may now proceed to consider further amendments to the bill, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment which has been submitted by the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. First, Mr. President, I ask that the yeas and nays be ordered on the question of agreeing to my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. MORSE. Mr. President, has the Senator from Delaware finished his presentation of the amendment?

Mr. WILLIAMS of Delaware. No, I have not.

Mr. President, the purpose of this amendment is to strike out, on page 12, line 15, the figure "\$250,000,000", and to insert in lieu thereof "\$100,000,000." The amendment represents a cut of \$150 million.

This amendment is in line with the recommendations of the Bureau of the Budget.

In the report of the committee which is before us I notice—and I think the Senator from Georgia will agree with me as to this—the statement that the bill as reported to the Senate by the Senate Committee on Appropriations calls for appropriations totaling \$3,975,505,148; and the report indicates that the bill as reported to the Senate by that committee is \$105,859,715 under the budgetary estimates for 1960.

The report may be accurate so far as it goes; but it does not go far enough to tell the true story. From an examination of the bill as it is now before us I find that it does not represent a reduction of \$105 million in the President's budget but, instead, an increase of \$250 million.

I call this point to the attention of the Senator from Georgia, and to the at-

tention of the Senate. This particular provision which calls for \$150 million more than the budget estimates represents one item that was not taken into consideration in connection with the tabulation which appears on the first page of the report.

Mr. RUSSELL. That is correct, because it relates to the authorization proposed for the year 1960. Then the estimate for 1961 will contain the request for the amount of funds needed to carry out the authorization in this bill.

In the same section of the bill we have an appropriation item of \$241.5 million, which is sufficient to meet the expenses of the agricultural conservation program for this year. The bill also authorizes and directs the Secretary of Agriculture to develop and plan a program for 1960 which shall not exceed \$250 million. The necessary appropriation for that item will be carried in the appropriation bill of next year.

Mr. WILLIAMS of Delaware. I recognize that point; however, I raise this question: If an amendment were offered to the bill, on page 11, in line 16, to make a change in the figure "\$241,500,000", in such case the Senator from Georgia would argue, would he not, that that amount was required in order to cover a commitment and could not be changed?

Mr. RUSSELL. I certainly would. I would say that the Senator would be advocating the violation of contracts which have been entered into with more than 1 million farm families throughout the country for compliance with the soil-building, soil-conserving, and water-conserving practices authorized by the Department of Agriculture and Farm Credit Administration Appropriation Act of 1959.

Mr. WILLIAMS of Delaware. I concur in what the Senator from Georgia has said; namely, that the figure "\$241,500,000," on page 11, in line 16, cannot be changed because it is required by contractual arrangements which have been made between the Federal Government and the farmers.

I point out, however, that a year ago, when the last appropriation bill for the Department of Agriculture was before the Senate, the administration recommended a \$100 million ceiling on such expenditures for this year, and at that time also the authorization was increased \$150 million in excess of the budgetary estimates. That accounts for the \$241,500,000 item on this page of the bill. Sure, the appropriation was requested by the Bureau of the Budget, because once having entered into those contracts there was no alternative other than for the Bureau of the Budget to request the Congress to provide the necessary funds. The Congress now has no alternative but to appropriate the funds for these contracts.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. RUSSELL. I think that is a fair statement. The issue we are dealing with today is how many contracts will be authorized for 1960.

Mr. WILLIAMS of Delaware. That is correct. Therefore, while it is true that the \$241,500,000 was requested by the budget, it still represents \$141 million which would not have been spent had the budgetary estimates been followed last year.

Mr. RUSSELL. That is correct. Ever since Mr. Benson has been Secretary of Agriculture, he has tried to destroy the agricultural-conservation program. He has submitted, each year, budget estimates ranging from \$100 million to about \$175 million. Of course, the administrative expense of the program is about \$42 million including transfers to the Soil Conservation Service. If we are going to trim the amounts down to \$100 million, we ought to abolish it altogether.

It would be too extravagant to have a \$100 million program for farmers that cost \$42 million to administer.

Mr. WILLIAMS of Delaware. That gets back to the merits of my amendment which is now before the Senate. I think that this colloquy has clearly established that if we want to cut these expenditures for next year, the only way the Members of the Senate can do it is to vote to reduce the \$250 million to \$100 million.

We must do this today. It is our last chance. Furthermore, failure to adopt my amendment will mean that on this one item alone we will be exceeding the President's budget by \$150 million.

Mr. President, I point out again that it cannot be said we are voting here only on an authorization for next year because, as has been established in the colloquy regarding the item on page 11, it is recognized by the Senator from Georgia and by all of us as a direct commitment. Therefore, this is the only opportunity that we as Members of the Senate will have to change the \$250 million item. Either we will roll it back today, or next year we shall be required to carry out the contractual arrangement and appropriate the money. It cannot be said that it does not represent a \$150 million expenditure so far as the next fiscal year is concerned. I think the Senator from Georgia will also agree that the \$150 million item which we would be obligated to appropriate next year is not included in the front page of the report.

Mr. RUSSELL. I made that clear yesterday. The amount involved in this item is not an appropriation; it is an authorization. It would be binding upon the Government of the United States if it is approved. Sometimes the amount is all utilized; sometimes it is not all utilized. We authorized \$250 million a year ago for the 1959 program but only \$241 million was required to finance it. We are considering an authorization for the agricultural program for the calendar year 1960.

Mr. WILLIAMS of Delaware. But half of the fiscal year will be in calendar year 1960, and the commitments will all be made in the fiscal year 1960. Therefore, I do not think we can say this is not a budgetary item.

There is also in the appropriation bill, on page 19, line 6, another increase of \$75 million which was not recommended

by the Budget Bureau. This is for increased soil bank payments.

Again, there is a claimed reduction of \$100 million on page 27, line 9, which is in reality not a reduction. This is in the item which provides for the restoration of capital for the Commodity Credit Corporation.

This does not represent any savings or cost to the taxpayers.

That money has already been lost by the Commodity Credit Corporation. It has been lost on commodities which have already been sold. Whether we restore the capital at this time or a year from now is immaterial so far as the taxpayers are concerned. We are still obligated for the amount stated. That is a \$100 million item which is incorrectly claimed as a budgetary cut. If that is not true then let us eliminate the whole \$1½ billion and save a lot of money. The Senate knows that cannot be done. It is merely a tricky book-keeping procedure. We are not "kidding" anybody or saving a dollar when we cut out that \$100 million.

I think the Senator from Georgia will agree that the budgetary request in this respect represents a bona fide loss already taken on products which have been sold—not estimated, but sold. Certainly there cannot possibly be any recovery.

This is just a false claim of cutting the budget.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. I think the Senator from Delaware is right. I regard the restoration of the \$100 million as a mandatory matter under existing law. I propose, at the appropriate time, to offer an amendment to restore the \$100 million. That loss was ascertained by a Treasury survey, and was effective as of June 30, 1958. That is nearly a year ago.

Obviously, since the loss is an actual loss which has already been realized, there is no way of avoiding it. I believe in exercising some responsibility in that field and in doing what the Congress is called upon to do, on the basis of a mandate in the law which has been on the books I do not know how long. As a matter of fact, the Commodity Credit Corporation was organized in 1933. That was nearly 26 years ago. At one time it was an adjunct of the Reconstruction Finance Corporation, before it was turned over to the Department of Agriculture.

In denying the Department the \$100 million, we would circumscribe its operations in the field of price support, which is mandatory, and also in the field of disposal of surplus commodities, both at home and abroad.

The program is in existence. It is the contriving of Congress. I think, in all earnestness and sincerity, that we ought to exemplify some good faith, act in a responsible way, and restore the amount. In due course, I shall offer an amendment to accomplish that purpose.

Mr. WILLIAMS of Delaware. The Senator is correct, and if anyone disagrees, I repeat my question: Why not

eliminate the whole \$1½ billion, which likewise is all lost? That is not the way to save money. It is too late once the loss has been established. The way to save money is to stop future losses. Once the losses have been incurred, we have no alternative but to pay for them. Whether they are paid for by this appropriation bill or by another one or by a supplemental bill makes no difference.

Altogether there is a total of \$220 million spending authority in the bill which is not set forth in the table.

In addition, on page 23 of the bill we find increased loan authorizations for the Farm Home Administration amounting to \$12 million, one for farm operation amounting to \$20 million, and one for soil and water conservation amounting to \$1 million—or a total increase loan authorization of \$33 million above budget recommendations.

Altogether we find that there is in the bill under consideration a total of \$253 million over and above the budget recommended by the President of the United States.

This information should be put in the RECORD and should be clearly understood when we vote on the bill. Let us not boast about cutting the appropriations for under this bill there is an increase rather than a cut. If the bill is passed without any amendments, we shall be increasing the budget a total of \$253 million rather than cutting it \$106 million.

If there is any objection to that tabulation, I would be glad to yield to any member of the committee who wishes to take exception to it at this time.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. YOUNG of North Dakota. Does the Senator from Delaware take the position that a loan to an FHA borrower, a farmer, is a total loss?

Mr. WILLIAMS of Delaware. Certainly not. The last three items involving \$33 million are definitely in a different category, and I so stated.

The point I am making is that these items are in excess of the budgetary estimates. On the front page of the report submitted by the committee we find a list of the budgetary estimates for comparison purposes, but the report does not give the accurate picture. Let us not try to kid ourselves or to mislead anybody.

I think the Senator from North Dakota will admit that in the loan authorization item there is a \$33 million excess over the budgetary estimates. There also are \$220 million of direct expenditures over budget request.

The other item above budget request is the \$150 million for the agricultural conservation program payments, which the pending amendment proposes to correct.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. YOUNG of North Dakota. I agree that the increased authorization for the soil bank program will represent a loss and an obligation we will have to pay. I disagree with regard to the loans under the FHA program. The farmers

have a good repayment record. I think repayments are approximately 90 percent, which is very unusual because these loans are made to farmers who are not eligible for loans from any other banking source. I would not list those loans as an expenditure.

Mr. WILLIAMS of Delaware. If the Senator from North Dakota had been present and had followed this presentation from the beginning, he would have seen that the tabulation divides the amounts between expenditures and other items. I did make a comment with regard to the loan authorization increase, but these are separate items. I made that clear in the beginning.

I am not for a moment indicating that those loans represent losses. They may represent losses or they may not. They do, however, represent money going out of the Treasury.

The point I am making is that, altogether, the bill proposes to appropriate and authorize a total of \$253 million more than was recommended in the President's budget. Of that amount \$220 million represents expenditures, and \$33 million represents increased loan authority.

Mr. President, I should now like to return to consideration of the pending amendment, which proposes to reduce the item for next year's agricultural conservation payments from \$250 million to \$100 million. This is the item which includes the free lime, the free fertilizer, and various other types of aid for increasing the productive capacity of the farms.

There may have been a time when there was a need for this enlarged program. Certainly, many parts of the agricultural program have much merit.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. The Senator does not mean to refer to free lime or free fertilizer or free anything, does he? In every case the farmer pays, let us say, 50 percent of the cost.

Mr. WILLIAMS of Delaware. But what is the difference?

Mr. AIKEN. The Senator should say "furnish these materials at a reduced rate," because they are not free by any means.

Mr. WILLIAMS of Delaware. When a farmer buys 5 tons of lime and pays for 2½ tons and the taxpayers pay for 2½ tons it is exactly the same answer as though the Government sells him 5 tons at half price. It still represents a contribution by the taxpayers for the buying of lime, fertilizers, and phosphates, and for the supplying of wells for livestock, farm ponds, drainage, and various other types of operation; all of which has one purpose, to increase the productive capacity of the soil in order that there may be produced more of the commodities which we already have in oversupply.

I recognize that there is merit to many of these agricultural programs. If we considered them individually perhaps they could all be justified. We are, however, confronted with a situation wherein we are operating with a deficit of \$12 billion per annum and the only

manner in which we ever stand a chance of cutting back and balancing the budget is by stopping the authorizing of some of the spending. The only way we can stop authorizing some of the spending is to cut down on some of the programs, even those which many of us consider meritorious.

We are all going to have to sacrifice some if we ever expect to balance this budget.

Besides, this particular policy of spending millions to increase the productive capacity of our farms in the face of such huge surpluses is wrong.

It hurts not only the taxpayers but also our farmers.

I do not think there is a single program which has ever been advocated by any Member of the Senate about which the sponsor was not enthusiastic as to its merit. Certainly all these programs have some value.

There is also merit to balancing the budget. And we cannot balance this budget by continuously operating on the basis of spending more and more money merely because some of us happen to like a program.

In support of this amendment I have a letter from the Department of Agriculture, signed by True D. Morse, the Acting Secretary, dated June 1, 1959, which I shall later ask to have printed in the RECORD. In it the Department recommends that the item be cut back to \$100 million.

I shall not read the entire letter, Mr. President, for I am sure the Members of the Senate are familiar with it. The Department of Agriculture points out that the bulk of the money will be used to increase the productive capacity of the farms, yet, we already are producing more commodities than we need. I shall quote one sentence from the letter:

Much of the present expenditures for agricultural conservation program have the effect of increasing production.

I think it is time we recognize this point. If we are sincere and are concerned about the surpluses let us approach the issue squarely and really take corrective action. Let us not appropriate \$150 million to increase the fertility of the soil in an effort to increase the production of those farm commodities of which there is an overabundance. We are never going to get rid of the surpluses if we continue this type of program. I think it is long past the time when Congress should recognize the problem and meet it head on.

Mr. President, I ask unanimous consent that the letter from the Department of Agriculture in support of the amendment be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 1, 1959.

HON. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: You have discussed with us H.R. 7175, the Department of Agriculture and Farm Credit Administration appropriation bill for fiscal year 1960 as

passed by the House and reported by the Senate Appropriations Committee, which provides for a 1960 agricultural conservation program of \$250 million. As you know, the budget proposes an advance authorization of \$100 million for the 1960 program. The proposed reduction in the program is sound and results from the continuing need to contain total Federal expenditures within total Federal revenue and for other sound reasons. We believe, under present circumstances, this program can be reduced without material damage to conservation accomplishment. This is particularly true because of increases in other conservation activities and programs.

The following illustrates funds used for agricultural conservation program practices which may be reduced without material effect upon total conservation accomplishment:

Practice:	Cost (in millions)
1. To lime farmers' lands-----	\$29.8
2. To supply phosphates to farm-lands-----	4.5
3. To establish rotation cover crops-----	12.0
(These cover crops are later plowed under to contribute more surpluses in corn, other grains, and soybeans.)	
4. To establish wells for livestock--	4.0
5. For farm ponds-----	13.0
6. For open ditches (drainage)---	3.8
7. For closed drainage ditches----	8.0
8. Expenditures for cover crops of a seasonal nature—largely to supply winter grazing in the South and Southwest-----	25.7
Total expenditures-----	100.8

These are steps farmers would largely perform without any assistance from agricultural conservation program and would do in order to manage their farm effectively. There is little reason for the public to thus defray a part of farmers' recurring costs.

The proposed reduction in agricultural conservation program can be made without real damage to conservation and thus release funds for more compelling needs. Much of the present expenditures for agricultural conservation program have the effect of increasing production.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. MORSE and Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I shall be brief in speaking against the Williams amendment. I am always much happier when I find myself standing shoulder to shoulder with the Senator from Delaware, as we do on some occasions. I cannot on this occasion, because I think this is a program which is pretty vital to the future of our country.

We would make a mistake, it seems to me, if we assumed this is a program beneficial only to the farmers of our day. This is a program which in my opinion will give great support to the natural resources on which we will be dependent in the years not far ahead, when we will need every bit of productivity we can achieve on American soil in order to feed our people.

I am sure this body of Congress will not accept the amendment of my friend, the Senator from Delaware. The amendment is based on administration recommendations that the agricultural

conservation program be reduced to \$100 million. This would certainly be false economy. It seems to me that through the years the agricultural conservation program has proven itself. We have known for several years—for many years—that more farmers would participate in it than in any other program geared to conserve our soil and water resources.

If the Nation cannot afford \$250 million for the agricultural conservation program, we certainly should not have \$100 million appropriated, which would merely maintain a shell of the existing organization and have pennies available for expenditures where dollars are needed.

Mr. President, the soil is the most basic source of our wealth. From it we obtain the food and fiber, the metals and the minerals with which we build our complex economy. Unfortunately, over a period the natural resources derived from the soil are expended and therefore must be replaced. The American Republic has long recognized this fact and has through its representatives here in Congress developed a national policy of conservation. The agricultural conservation program is a vital part of this overall national policy. Through this program over a million and a quarter farm people yearly cooperate with other millions of Americans in conserving the agricultural soil and water resources of our Nation. If this amendment is adopted here today the soil and water conservation work which we have striven for many years to maintain at an adequate level will be sharply reduced.

Mr. President, I shall ask to be excused from voting on this amendment when the roll is called. I digress from my brief manuscript long enough to say that I believe I have probably received \$200 or \$300 over the years, by way of a Government contribution to the liming of some soil which I owned, as a good conservation practice.

The farmer pays a substantial part of the cost of liming. This experience at least has made me a pretty good witness, even though I may be a special pleader—and I would be if I were to vote on the amendment this afternoon—to observe the effectiveness of the program. I will participate in a program which seeks to strengthen the soil, because irrespective of who the owner of the land may be, I believe such a program was enacted in order to conserve the soil for future generations.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in a moment.

I have never participated in a so-called soil bank program, because I have never owned land which, in my judgment, would justify putting it in a soil bank. I happen to believe that the soil bank program should be reserved for land so marginal, and so unproductive, that it should be treated for many years by being taken out of production, in order to prepare the way for its use some decades hence, when we shall need every pound of food we can produce in America in order to feed our people.

The population experts and the food experts who testify from time to time are warning us that perhaps as soon as the year 2000 we shall not be able to raise enough food in this country to feed our then increased population.

It is because I am satisfied, based upon my knowledge as a farmer, that this program is so sound that I make these comments in support of the program this afternoon. Then I shall ask to be excused from voting when the roll is called.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. AIKEN. Does not the Senator from Oregon realize that the law specifically authorizes him to vote on this question? He was patriotic enough to undertake to do his part in conserving soil and water resources; and that was taken into consideration at the time the program was first inaugurated, in the 1930's. In order to induce everyone to participate in the program and conserve the resources of the United States, the Senator from Oregon and other Senators were specifically authorized to vote on the question.

Mr. MORSE. I know that. However, the Senator from Vermont knows my political problems very well. I think I can always afford to lean over backward. Under those circumstances, it would be better if I did not vote, but contented myself with making this frank record this afternoon.

Mr. AIKEN. If the Senator from Oregon will permit me to say so, for many years the Senator from Vermont deliberately participated in the agricultural conservation program as an example to induce others to do the same. I hope he was helpful. I do not believe that any payment amounted to more than \$50 a year. A number of years ago I discontinued my participation in the program because it was well underway, and people in my State and community were generally participating. However, even if I were participating, I would not wish to surrender my right to vote on important matters which vitally affect generations coming after us.

Mr. MORSE. I believe there is a great deal of merit in what the Senator from Vermont has said.

Mr. AIKEN. I hope the Senator from Oregon will vote on this question.

Mr. MORSE. The arguments which the Senator from Vermont makes, and the arguments which I make, indicate that what we are both advocating is not for the benefit of anyone now living, but to induce those who now own the land to participate in a program which will strengthen the land for use by future generations.

As the Senator from Vermont says, a Senator is specifically authorized to vote on such an issue as this. I only said I thought I would have to be excused because so many people do not draw the distinctions which the Senator and I have drawn on this question. I think it is important, in fairness to my friends who gave me such great support in running for office, that I be very careful not to cast a vote this afternoon which might be distorted and misrepresented, and

which might do injury to my friends who desire to support the things for which I stand.

Mr. AIKEN. The Senator from Oregon knows that if he participated in the program and reforested wasteland or slashland, he would pay at least half the cost. He would not get a nickel out of the program during his lifetime; yet the trees he planted would be harvested probably three generations hence. I cannot see why anyone who enters into a program designed to conserve the soil, water, and forest resources of the country for coming generations should be considered to be guilty of some crime, when, for the most part, all he gets out of it is expense.

Mr. MORSE. I agree that there is certainly nothing unethical or improper about casting such a vote.

I do not have the exact figures in mind, but I believe that the Federal Government has contributed between \$200 and \$300, over the years, to the cost of liming my property. I have contributed much more, of course. For that reason I felt somewhat hesitant to vote this afternoon.

I am almost persuaded by what I consider to be the almost unanswerable logic of the Senator of Vermont. I do not wish, by my failure to vote, to be placed in the position of seeming to fail to encourage the program for which I ask my colleagues to vote. So the Senator leaves me between two straw stacks. Many people will like that figure.

In a few moments, perhaps after conversation with the Senator from Vermont, I shall reach a final conclusion. I merely wished the RECORD to show that I have participated in the program to the extent I have indicated.

Returning to my statement, through the agricultural conservation program we have been working at the task of rebuilding our lands. The present landowner pays approximately one-half the cost to perform a recommended and approved agricultural conservation program. These practices are determined locally for what is best needed for the particular locale. The farmer cannot afford to pay the entire bill. Should he be required to pay the total cost? A farmer's first consideration must be the economic well being and security of his family. This does not always permit him to give adequate consideration to the most desirable longtime use and conservation of soil and water resources.

If a farmer wished to make the most money out of his farm he would not be thinking about a conservation program for it looking ahead 35 years from now. He would proceed to exhaust the fertility of the farm during his lifetime, and let future generations take care of themselves. That is a pretty asocial attitude.

This program was developed to make a public contribution to a public interest which will exist long after the present owners of the titles to farms will have passed from the scene.

In the day of decreasing profits and increased cost to the farmer he is not sure from year to year—and in some cases from day to day—that he will remain on the farm. For this main reason if acceptable long-range conserva-

tion practices are to be secured, the Nation must bear a part of this financial burden. It is therefore very much in the public interest for the Federal Government to share in the cost of conservation measures. Farmers who have had the experience of agricultural conservation program participation and have seen the results of sound conservation practices on their farms would gladly pay the total cost if they were able to do so. To me it seems apparent that if sound conservation practices are to be carried out the American farmer must not be obligated to bear the entire cost.

The last report I have had from the Department of Agriculture concerning the 1957 agricultural conservation program is for the year 1957. In my State, nearly a third of the funds allocated under the agricultural conservation program were used in connection with the establishment of permanent cover. A total of 45,849 acres of permanent or perennial cover were established. Some of this acreage was treated with limestone. A little less than 13 percent of the total State allocation went into agricultural limestone. However, I want the record to show that limestone and fertilizer have not received assistance under this program except in connection with seeding or improvement of permanent or perennial cover. Nearly 60 percent of the State funds were used for practices primarily for the conservation or disposal of water. For example, 13,154 acres were drained of excess water through the use of enclosed drains, over 12,500 acres were leveled to permit the efficient use of irrigation water and to prevent erosion. The irrigation systems on 65,405 acres were reorganized to prevent erosion and conserve water.

These practices are important not only to the farmer concerned, as the Senator from Vermont [Mr. AIKEN] has just pointed out, but also to every citizen of the country many years hence, when the trees will be ready to be cropped, as we say in the forest industry. In the case of many types of trees it takes 50 to 100 years for them to be ready for cutting.

Therefore, Mr. President, these practices are important not only to the farmer concerned but also to the people as a whole, when we consider the fact that there may be a water shortage in this country in the not too distant future. Temporary cover was established on 25,935 acres, contour farming was established on 13,600 acres, forest trees were improved on 2,101 acres, and 1,551 acres were planted to trees. It is evident that these practices concern not only the farmer, but the general public. In my State, 7,031 farmers participated in the program. This covered over 4.8 million acres of farm land, which includes about 1½ million acres of cropland and 3¼ acres of open pasture and range land.

I wish to emphasize the need for maintaining the agricultural conservation program at \$250 million. Actually the program throughout our country could be expanded as various estimates reveal many farmers apply for agricultural conservation program cost-sharing assistance but are turned down, due solely

to lack of funds. If nothing else shows that the farmers of our country believe in the agricultural conservation program this certainly does. It is amazing to me how the administration proposes to reduce a program in which 1,159,033 farms participated during 1957 and 1,126,784 participated in 1958, while, at the same time asks for an increase in the soil bank which services only 79,761 and 126,515 in 1957 and 1958 respectively.

Mr. President, I am in favor of the soil bank in regard to some lands. I am against the soil bank in connection with lands which are presently fertile and presently productive. It would be better to keep them in a productive condition, rather than to encourage what I believe have been some very bad practices which have developed under the soil bank administration. It may be very properly said, I think, that many of my objections could be removed by better local administration of the soil bank program. To the extent it can be demonstrated that the soil bank improves the land, I am for it. But, as a farmer, with eyes which can see and with some background knowledge of what is involved in farming, I am not in favor of putting in the soil bank acres of land which never should be in the soil bank at all, because those acres are going to deteriorate, not appreciate, and the farms on which they are found are quite a menace in many localities to surrounding farms, because the administrative practices which ought to be followed are not being followed, such as keeping the weeds down. Some of the farms should also have attached to their soil bank program an erosion program.

I say that because it is possible to put a farm in the soil bank—and I have seen them in the soil bank—which ought to have also an erosion program attached to it, since erosion is proceeding at a much more rapid rate than would be the case if the farm had been kept in production.

But here again it is not all black and white. There is much good in the soil bank program, but I prefer to limit the soil bank program to the so-called clearly marginal lands, to the hillside farms, which ought to be taken out of cultivation and be covered with a cover crop, and on which, perhaps, some trees ought to be planted, too. I think that is sound conservation practice.

I have a great deal of difficulty with some of the soil bank practices, such as taking productive land out of cultivation and then adopting some of the administrative procedures which have been followed in regard to the operation of the program.

However, I wish the RECORD to show that I am in favor of the soil bank program, and that my criticism goes to its administration. Perhaps not in connection with the pending bill, but at a later time and probably in separate legislation dealing with the soil bank program, we ought to provide some legislative regulations for the improvement of its administration.

With respect to the other phases of the soil conservation program, to which the Williams amendment goes, I wish to say

I am strongly in favor of the program for future Americans. I believe that is the way to protect a great capital investment the American people have. That is what our soil is. It is one of the great capital investments of our country. We ought to protect it and improve our lands on which we will raise in the future the food our increased population will need. For those reasons I shall oppose the amendment.

Mr. AIKEN. Mr. President, 25 years ago this country was plagued by a great depression. It was plagued by surpluses of farm commodities. Corn was selling for as low as from 10 to 15 cents a bushel, and wheat was selling at from 30 to 40 cents a bushel. Other farm commodities were selling at comparable low prices.

Our country was being plagued by the disappearance of the fertility of our soil. Dust storms were sweeping across the Plains States. Some of those storms covered thousands of square miles. The disappearance of our soil fertility was not confined to the West. It was disappearing, on a smaller scale, throughout the Eastern States.

Fortunately at that time there were those who realized that although we might have surpluses of farm commodities at ruinous prices, the time would come when we would require more to take care of the next generation than we were producing during the 1930's. Therefore, several programs were started. One was the rural electrification program. One was the agricultural conservation program, which got underway, as I recall, in 1935 or 1936, or about that time. That is the program which is now under discussion. It is the ACP program, as it is now called. We were able, during World War II, to increase the fertility of our soil, so that we could produce all the food which was needed to maintain our country and our allies. It was a remarkable performance and was probably exceeded only by the American fighting men themselves.

American agriculture doubled its production. It has increased its production since then, until at present 50 million more people are being fed than were here at the time when the ACP program was begun. I venture to say that if it had not been for this program, it would not be possible to feed the present population of the United States. This is a program which seeks to conserve the water resources, the soil resources, and the forest resources of the United States. It has been a very effective program. It has cost something. It has cost the farmer who has participated in it; it has cost the Government—and the Government, in my opinion, is the people—to pay the price of conserving and improving the soil, water, and forest resources of our country.

There has never been the soil fertility in this Nation—at least not during a period of 100 years—which exists today. There has never been the ability to produce which exists today. The United States is the greatest producing Nation on the face of the earth. Yet people complain because we have plenty. We have too much wheat today, temporarily.

We have more eggs and poultry products than we need, and because of that situation many people are getting hurt. Some of them did not use good judgment in going into the poultry business at the time they did. But if it had not been for the ACP, about which we are now talking, it would not be possible to feed the present population of the United States.

I am sorry I cannot agree with the Senator from Delaware, as I frequently do. I am sorry to say that I cannot do so because I firmly believe that if the farm programs of the United States were suspended for 5 years, we would be asking other countries to send us food. The United States is expected to have an increase in population of not less than 3 million a year. That is about the number of people who live in Norway, as I recall. Three million is the population of one of our fair-sized States. We simply cannot let down on maintaining our ability to produce enough to feed and clothe a constantly increasing population.

I am sorry the administration takes the position it does, and wants to cut the wheat program. I am sorry it has tried to cut the wheat program and several other programs. Nevertheless, I realize it has the right to take the position it has. But I point out what the same people who are asking us to reduce the appropriation for the agricultural conservation program from \$200 million to \$150 million a year are asking us to do in other lines.

They are asking for \$3,900 million for foreign aid programs. They are asking us to increase our contribution in gold to the International Monetary Fund \$1,375 million. They have asked us to guarantee an increase in investments in the World Bank totaling \$3,150 million. I think they have asked us formally—I am pretty sure they have—to prepare for a contribution of \$400 million in our cash and credit for the Inter-American Bank. They are asking us to guarantee private investments in foreign countries—what the amount is, I am not sure. It has been \$500 million, and I think they are asking for another \$500 million at this time.

That makes a total of \$9,325 million which the administration is asking for foreign countries, at the same time that it is trying to cut \$150 million off the future water and soil resources of the United States. I do not think that makes sense.

I am willing to balance the budget. I am willing to take it out of the \$9,325 million. Up to now I have supported the administration's foreign aid programs, but, if I now have to choose between doing those things which should be done for the people of the United States, and doing them for the people of all the rest of the world, I will vote for the United States.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HUMPHREY. I compliment the Senator from Vermont. I think he has made one of the most eloquent and persuasive statements which have been

made in behalf of this program. The Senator has given his life to the program.

He has made every argument which could possibly be made in support of the agricultural conservation program. I salute the distinguished Senator from Vermont.

Mr. WILLIAMS of Delaware. Mr. President, there is no Member of the Senate for whom I have a higher regard than the Senator from Vermont, even though occasionally I differ with him. However, in reference to the long list of projects which he read as having been recommended by both the preceding administration and this administration, I think he will agree that I opposed many of them in the same manner as I am opposing the one which is now before the Senate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. I express my regret at having to disagree with the Senator from Delaware in this case, because we do agree on so many things. I particularly appreciate the fact that the Senator from Delaware has tried to keep these programs working properly, and to eliminate certain practices which have not been admirable, to say the least. However, I do have to disagree with him at this time.

Mr. WILLIAMS of Delaware. I respect the Senator's disagreement. But I point out that we are not destroying the program. We are cutting it back; yes. I think it is a program which had merit at the time it was sponsored. It has much merit to be considered, perhaps, at some future date when we need more production.

Even those of us who have spoken against the pending amendment have pointed out how the program has increased the fertility of the soil. Sure, the productive capacity of the American farmers has been greatly increased. That is true. But why spend \$250 million, which is \$150 million over and above what is even recommended, to increase the fertility of the soil at a time when there is such an overabundance? If at a later date the additional production is needed we can renew the program. But why enrich our soil now with fertilizers and lime at the taxpayers' expense simply to increase the productivity of farms at a time when we have more than we need.

If such a program is needed at a later time I shall support it. But it is not needed today, and we cannot justify it now by the argument that 10, 20, or 40 years from now we will need it. It will not be possible to keep all our surplus commodities in storage for 10, 20, or 40 years. We do not have sufficient storage capacity, and even if we did the commodities would rot. So why produce more now? Why not wait until the produce is needed? Certainly today this \$150 million could be used better to help balance the budget. The point is that if the budget is ever to be balanced we shall have to start by voting against some of the programs, including some which I like as well as some which other Senators like.

This is a place to start.

Mr. KEATING. Mr. President, I rise in emphatic support of the amendment offered by the distinguished Senator from Delaware. It is true that this is an appropriation bill, but it is our last clear chance to do anything about this program for the ensuing year. Surplus crops of many kinds are running out of our ears. It seems to me it makes little sense to provide a subsidy of \$250 million to add to that surplus and to increase the production of various agricultural commodities.

I commend the distinguished Senator from Delaware also for setting us straight concerning the figures which appear in the report and for making it clear that the bill, at the end of its consideration, if it is enacted in its present form, will result not in appropriations under the estimates for 1960, of \$105 million, but an actual figure of some \$253 million over the budget estimate. In these matters, we cannot afford to indulge in fanciful figures.

APPROPRIATIONS AND BUDGET ESTIMATES

Mr. President, while I am on my feet, I may say that I note the presence of the distinguished majority leader. I desire to indulge in some flattery and commendation, so far as he is concerned. I desire to compliment the majority leader for the truly nonpartisan character of the speech which he made to the Senate last Thursday at the conclusion of the debate on the previous appropriation bill. I assume that he may make a similar address to us at the conclusion of our consideration of this appropriation bill. I refer to the address he delivered in the Senate on last Thursday. It was the result of the longstanding debate he has been carrying on with the distinguished minority leader over the amounts appropriated and the budget estimates. The subject of that debate has been—as all of us know—whether the Congress, controlled by the party of the majority leader, or the administration, represented by the party of the minority leader, is the more economical.

Mr. President, on that occasion—last Thursday—the distinguished majority leader made a speech which was so nonpartisan or unpartisan in its nature that he actually allowed Republicans as well as Democrats to benefit from the fallacies of his reasoning. Moreover, he included the Republicans in his description of “the majority”—a designation which, alas, my party has not enjoyed in the Senate for quite some time.

So, Mr. President, in an equally nonpartisan mood in this respect, I wish to extend my thanks to the majority leader.

I should like to go into a little detail, so that my colleagues may appreciate the full extent of the generosity of the majority leader's nonpartisanship. As many Senators know, he has contended that the Congress has been more economical than the President by approximately \$10,603,874,716.07 in the past 5 fiscal years. We have heard that statement over and over again. I am particularly taken by his reference to the 7 cents; that shows extremely accurate figuring—dedicated, however, I feel, to an extremely inaccurate conclusion.

After citing that figure in his speech of last Thursday, the distinguished majority leader went on to explain why he was so happy about that saving; and he stated—as appears on page 8427 of the CONGRESSIONAL RECORD, “It makes the majority look good when we cut \$10 billion from their requests.”

Mr. President, I have been doing a little research in regard to this matter. I find that by using certain selected sets of figures, or by using roughly about one-seventh of the factors which actually are involved in determining whether the taxpayers' money is being conserved, I can arrive at figures which produce roughly the same result as that stated by the majority leader. Or, to put the matter in another way, I find myself one-seventh in agreement with him on that score—which is much better, I may say, than was stated by one of my constituents who, the other day, wrote to me a letter in which he said, “I like your stand, and all my family do, on this legislation; we are behind you 10 percent.” [Laughter.]

But, Mr. President, for the life of me, I have not been able to find the 7 cents the majority leader listed—unless he was throwing in the net value of his entire argument.

In short, Mr. President, in order to arrive at the total of \$10,603,874,716.07, there has to be included \$2,610 million of cuts made during the second session of the Republican-controlled 83d Congress and also the total cuts made in appropriation requests during the 84th and 85th Congresses, which were controlled by the party of the majority leader. Let me say that I am still trying to continue in the same nonpartisan spirit which our majority leader was so careful to maintain in his speech of last Thursday.

However, Mr. President, in confining our consideration, for the moment, to the cuts made by those two Congresses, we find that the actual reductions made by those Congresses in the amounts of the requested appropriations actually total \$7,993 million; with his permission, I shall leave off the cents. But let me be generous, Mr. President; let me say that the 84th and 85th Congresses lopped off \$8 billion, in round figures, from the appropriation requests. This leaves the majority leader with an error in arithmetic of only \$2,600 million-plus, which is not much when we deal with Washington arithmetic, which sometimes has been described as a strange and wonderful shell game. But that figure also ignores more than \$12 billion which the Republican first session of the 83d Congress cut in one year from the last Truman budget.

However, Mr. President, in view of the nonpartisan discussion of this matter on the part of both the majority leader and myself, we should let that pass.

In any event, this \$2,600 million error—if that is what it is—makes all of us in the Congress look better than we really are entitled to look; and, therefore, I suppose that Senators on both sides of the aisle should be grateful to the majority leader for making them look so good.

But, Mr. President, if we are going to take bows as the great economizers

in Congress, in the face of the wastefulness of the wickedly spendthrift Eisenhower administration, we should be sure that we take them correctly. In all modesty—and I know that my appreciation of the majority leader's generosity and nonpartisanship is widely shared—I feel, therefore, that we Republicans in the Congress must not accept the majority leader's kind effort to include us in his litany of fiscal saints.

If the \$10,600,000,000 figure cited by the majority leader really means anything—or if, indeed, the \$8 billion figure, which is the accurate one, really meant anything—that would be different. But these figures refer only to the money which goes out the front door of the Treasury. As has been pointed out by the minority leader [Mr. DIRKSEN], there is also a very large back door.

When I was a boy, Mr. President, we used the back door even more than we used the front door; and I can assure you that the back door was important, as well as the front door.

This financial process reminds me a little of the man who had a joint checking account with his wife; but in arriving at his bank balance, he did not include in his figuring the amounts of the checks which were drawn by his wife.

So that is about what the majority leader's figures amount to; because if we consider the appropriations made in the 5 fiscal years to which the majority leader has referred, we find that the back door spending, over and above the administration's requests in that period of time, came to \$11,588,000,000—I repeat, Mr. President, eleven billion, five hundred eighty-eight million, and some thousands, and some hundreds of dollars, and some cents. In addition, in the same years, presidential vetoes saved, from the unrequested spending measures passed by the Congress, a total amount of \$2,825,000,000. On top of that, Congress took unrequested actions reducing Federal revenues \$1,665 million.

Add up the pluses and minuses and we reach this conclusion: In the 5 fiscal years referred to by the distinguished majority leader, far from cutting administration budgets by \$10.6-plus billions, Congress has actually spent a net total—front door and back door—of \$5,475 million, and maybe 7 cents on top of that, above administration recommendations.

So while I know we all deeply appreciate the majority leader's nonpartisanship, and his desire to include all of us in his delineation of what the Congress has accomplished, I am afraid we cannot really accept the beautiful simplicities of his reasoning.

Actually, the budget fight does not center solely on what the administration asks and the Congress appropriates, as the majority leader well knows, since he is one of the ablest Members of this body. While I am sure most Senators were probably aware that the majority leader was not really serious when he claimed the \$10.6 billion saving, but had merely dreamed it up to annoy the minority leader, with whom he had been having a colloquy, it might be taken seriously

by some who are not familiar with Federal fiscal matters.

I suppose, for the record, it might be well to mention some of the back door items which are being overlooked, so that the taxpayers will not be confused by the majority leader's whimsy.

In the 2d session of the 85th Congress, for example, the authority to incur obligations in other than appropriation acts was increased by more than \$2 billion with respect to only five public laws. That \$2 billion does not show at all in the majority leader's figures, and, in his verbiage, if I may be permitted to adopt it, "\$2 billion ain't hay."

Substantive legislation authorizing spending which was enacted during the 2d session of the 85th Congress, but for which appropriations were not made at the time of enactment, called for appropriations totaling \$1,572,000. This does not appear, either, in the majority leader's figures.

Here we get much nearer to the heart of the budget fight. Here we are dealing with the matter, which is so important, of setting up huge programs calling for huge annual appropriations.

It is the same subject which we have under consideration, or one part of it, which is involved in the amendment offered by the Senator from Delaware.

Of course, the President, in carrying out the will of Congress, as determined in the legislation setting up such programs, must request funds annually to operate them. He has no alternative.

If he requested no funds, a howl would go up to high heaven from everyone who supported the original legislation. I am not necessarily criticizing all of the programs for which appropriations have been made. Some of those programs I have supported. Some of them I supported when the administration did not support them. I am criticizing—and this is the basis of my criticism—the practice of ignoring the impact on the Treasury of these programs in computing the budget effect of congressional actions.

Yet the President is criticized as a spender, in the line of reasoning pursued in such nonpartisan fashion by the majority leader. It is said the President is a spender because Congress has trimmed some of its own original concepts when it has gotten down to spending the money.

Certainly there is a difference between appropriations and authorizations, as was pointed out in the debate. Appropriations mean we spend the money today; authorizations mean we spend it tomorrow. But, either way one slices it, it still costs the taxpayers money. There is no trick arithmetic which can change that fact, or save even the 7 cents referred to.

Among other items which do not appear in the computation of the so-called \$10.6 billion saving there may be mentioned the fact that some of the so-called cuts from appropriation requests actually had to be restored later in supplemental appropriations;

The fact that certain spending items were lopped off by presidential veto;

The fact that there was a failure of Congress to provide requested revenue, which increased the budget problem;

The fact that loans were authorized directly out of the Treasury; and that there were prior year balances re-appropriated.

Of course the majority leader is just as considerate as he is nonpartisan, and he naturally would not want to burden us with all these tiresome details. But in order to round out the full story, and before we as Members of Congress swell up and burst with pride over our frugality and over the great savings we have effectuated over the budget figures, it strikes me we ought to have the full story before us. So I thought perhaps it would be appropriate, again with my high compliments of the distinguished majority leader, to bring some of these figures to the attention of the Congress.

Mr. PROUTY. Mr. President, I am happy to join with my distinguished colleague from Vermont [Mr. AIKEN] in opposition to the pending amendment.

Our big problem in Vermont, as pointed out by speakers at the annual State ASC conference, is not how to spend our funds or how to spend them wisely, but, rather, the problem is determining how the small amount of funds made available to Vermont under the ACP program can be distributed to all the farms that want and need to participate.

It is easy to observe how important the agricultural conservation program is to Vermont when one takes a close look at the record. The State has traditionally led the country in the percentage of farms participating. For example, in 1957 62 percent of the farms in Vermont engaged in some activities from which they received cost share allowances in accordance with the ACP.

At the present time we have 79 percent of our cropland participating, compared to a national average of about 36 percent. Our Vermont program is set up primarily to help establish a sod ground. Our aim in the use of minerals is not for direct production, but, rather, through the use of minerals to build up a better sod which will, over a period of years, aid materially our conservation effort.

In a talk before the annual ASC conference a representative of one of the largest banks in Vermont demonstrated the confidence which the banking community has in the ACP program and the farmers who participate in it.

The banker had this to say: "It is probably not safe to make any estimate of the total financial assistance that has been required to carry out the 1958 ACP program, which is reported as involving \$800,000 in Vermont. However, a sort of an educated guess might be that lenders of all kinds have been involved in 50 percent of this volume. The main inference that could be drawn from these hastily collected statistics is, first, that Vermont banks are fully in sympathy with the ACP program; and, second, that they stand ready to back up this sympathy with loan funds to practically 95 percent of the requests."

Bankers have never been known to be softhearted or overly sentimental, and

I think in the case of Vermont they strongly back the ACP program, because they know it is protecting our soil and our forest resources, increasing our efficiency of production, and at the same time making possible a larger income for Vermont farmers.

A recent report shows that over the years more than \$8 million have been collected from Vermont farmers to pay for materials provided for them under the ACP, and it is estimated that farmers in the State have incurred additional expenses of \$14½ million in order to carry on programs of improved practices to promote desirable land use and conservation of the soil.

If the farmers of Vermont and throughout America are willing to dig deep into their pockets to protect the soil, one of our greatest resources, then it would be tragic indeed for Congress to refuse to do its share and force the farmer to assume conservation costs beyond the point he can afford.

I strongly urge that we act in the interest of both the present and future by approving today the full amount recommended by the Appropriations Committee for the 1960 agricultural conservation program.

Mr. HUMPHREY. Mr. President, in the light of the discussion which has taken place, particularly on the part of the Senator from Delaware, it seems to me it might be appropriate to have the RECORD complete as to the accomplishments of the agricultural conservation program.

I should like to quote from the testimony on page 363 of the hearings with regard to H.R. 7175, which is the testimony of Mr. Koger, who is the Administrator of the agricultural conservation program service.

Mr. Koger was discussing the benefits of the program, the costs involved, and the nature of the services. He stated, for example:

The average amount of assistance per participant in the 1957 program was \$179, or \$186 per farm for the 1,161,000 participating farms.

I think it is well for the Senate to note and for the public to note that 1,161,000 farms were the beneficiaries of sound soil conservation practices of an enduring nature.

The next line of Mr. Koger's testimony I think is the most convincing. He says:

About 83 percent of the cost-sharing payments was for practices classified in the ACP National Bulletin, as having enduring benefits. The remaining 17 percent was used for practices with benefits of limited duration, such as the establishment of annual vegetative cover, and measures primarily for temporary protection from wind and water erosion.

A little later in the same testimony the Administrator of the program said:

In keeping with the Secretary's announced policy that the ACP is to give particular attention to those conservation measures which are of major importance to farmers in making a transition from cropland to grass or trees and in keeping in protected cover land which otherwise might be shifted to a more intensive use, we have continued that type of program emphasis.

This is a direct answer to the statement made by the distinguished Senator from Delaware that all we are doing with the ACP is to intensify production. In fact, what we have been doing in a good deal of the program is to shift the land use from intensive cultivation to grass or to trees.

A little further in his testimony Mr. Koger says:

To illustrate, during the last 5 years, 1954 to 1958, inclusive, ACP has shared costs on the establishment of about 22 million acres of vegetative cover. A high percentage of this land was, prior to its establishment in conservation cover, cropland producing at an intensive level. These 22 million acres are made up of about 7½ million acres of practice A-2—

Which means permanent vegetative cover for soil protection—

eleven million acres of practice A-3—

Which means additional acres of vegetative cover and crop rotation to retard erosion and to improve the soil structure, as well as to increase the water holding capacity—

two and one-half million acres of practice D-4—

Another one of the so-called permanent practices which has been authorized by the ACP, which is a vegetative cover to protect cropland throughout the crop year—

and about 1 million acres of practices A-7 and A-8, trees and shrubs planted for permanent retirement of farmland from field crops and pasture.

These instances which I cite from the hearings should be adequate evidence of the purposes of the program.

I wish to say, most respectfully, to my colleague, I cannot imagine anyone who lives in a great metropolitan area who would want at any time to do anything which would retard the protection of our soil resources.

The other day a gentleman, who has dedicated his life to soil conservation, came to see me. He had been flying over the delta region of the Mississippi River and he had seen the good earth literally falling in to the sea. This was the good earth from the area of the Mississippi River and its tributaries—the Mississippi River watershed, so to speak.

All one has to do in order to see America being eroded is to fly in a helicopter or an airplane over the delta region of the Mississippi River, and witness the land literally being spewed out into the ocean.

This program does not involve simply the liming of the soil. It does not involve only some temporary practice. As a matter of fact, I believe the evidence will reveal that a good deal of the program, as I recall the testimony, as shown on page 364 of the hearings, relates to watersheds.

It is pointed out on page 364 that the program is tied specifically to the watershed program:

Watersheds which have received the major attention from ACP include the 11 authorized flood prevention watersheds, the watershed projects authorized under the Watershed Protection and Flood Prevention Act (Public Law 566) which have reached an

operating status, and the small widely scattered pilot watershed projects initiated by the Congress in 1953.

These watershed programs provide upstream flood control. These watershed projects I think are the soundest type of flood control and conservation program we have. The ACP is tied in with that, just as the technical services of the ACP are under the general supervision of the Soil Conservation Service.

This is the kind of program we are talking about. This is not a giveaway program. This is a cost-sharing between Federal and local sources. Individual farmers participate. There is a renewing of grasslands. There is water and wind erosion control. There is the growing of timber and trees throughout areas which would be otherwise subject to erosion. Above all, there are watershed projects.

For that reason I feel this is perhaps the soundest investment we have in general agricultural policy.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. The Senator was listening to my colleague from Vermont a few moments ago, I am sure.

Mr. HUMPHREY. Yes.

Mr. AIKEN. The Senator heard my colleague say that the larger part of the ACP funds in Vermont is used for the establishment of grass sod.

Mr. HUMPHREY. Yes.

Mr. AIKEN. The purpose, of course, is to prevent the land from washing into the rivers and from washing into the sea eventually. That is the way, in our country, along with reforestation, we are attempting to hold the soil for future generations.

I point out that we have had particularly good luck with the weather for a long time. Instead of the 7 years of proverbial good crops we have had 17 years in which we have had reasonably good crops.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. In part the result is due to the fact that the program was started 25 years ago, and we have been recovering and protecting a larger percentage of our arable land year after year.

Mr. HUMPHREY. I thank the Senator.

Mr. AIKEN. There is nothing more important. If we let the topsoil go, what good will what is left be to the people?

Mr. HUMPHREY. I would say that the history of nations can possibly be written by observation of the manner in which they care for their soil. One can observe the rise or fall of empires based almost upon the adequacy of conservation or the lack of conservation.

My good friend, the distinguished Senator from New York [Mr. KEATING], indicated his general support of the amendment of the Senator from Delaware. I regret that, because some of the better soil conservation practices in the Nation are conducted in his State.

Mr. AIKEN. The Senator is correct.

Mr. HUMPHREY. I notice that last year \$4,746,000 worth of soil conservation work was done in upstate New

York. I have seen some of that work, as has the Senator himself.

Mr. RUSSELL. That is only the Federal money.

Mr. HUMPHREY. As the Senator from Georgia points out, that is only the Federal money.

Mr. KEATING. There will still be quite a balance left, if we allow \$100 million for this program. It seems to me that is adequate. It has been certified as adequate by the Department of Agriculture and the Bureau of the Budget.

New York receives \$4 million of the \$250 million. I am glad the Senator brought up that point, because it emphasizes what all these Federal aid programs mean to the taxpayers and to the people of the State of New York, whose farms are entitled, under a \$250 million program, to vastly more than \$4 million.

Mr. HUMPHREY. We are not using this program as a subsidy. We are using the program to protect land. Regrettably, for some reason or other, the State of New York is not as big as Texas. There are not quite so many acres of land to be cared for under soil conservation practices.

The only thing I can say to the Senator from New York is that this is one Union, one Nation; and the land in any part of it is as precious as the land in any other part.

The fact is, as the Senator from Vermont pointed out, that every dollar of the money is spent upon projects which conserve. The program represents an investment for the future. When we consider the population growth of the country and the tremendous drain on the soil resources, the importance of protecting those resources cannot be contested. The Senator may argue as to the amount of money, but I am sure we do not disagree on objectives.

Mr. KEATING. We do not disagree on objectives. I happen to believe that this is one of the sound programs in the agricultural area. I merely feel that farmers, and all other segments of our economy, must curtail. It is in their long-range interest to curtail, in order to use the anti-inflationary weapon of attempting to balance the budget. I believe that represents the thinking and feeling of the farmers of New York State, who are also taxpayers.

Mr. HUMPHREY. I noticed that the Senator did not apply the same reasoning when it came to brucellosis control for the dairy herds in his State, and I am glad he did not. I noticed that he did not apply the same reasoning in connection with some other objectives.

The truth is that the amount of money involved in this program is a very limited sum. If we are to select any place in this appropriation bill to make reductions, I say most respectfully that this is the wrong place. There may be others. Of all the programs which have been without stain, of all the programs which have done well, of all the programs which have built for the future, of all the programs which have fulfilled the great needs of conservation, I think this is the best. To cut the appropriation for it

as much as has been suggested would be to cut the heart out of it, and, to my mind, to strike a death blow at basic agricultural policy, which has been fought for since the time of Theodore Roosevelt, the great conservationist who, possibly more than any other individual, set the Nation on the path of conservation.

Mr. KEATING. That is always the answer when we try to make a reduction at any point in the budget. There is always the argument, "This is not the place to do it. You must seek some other place."

Mr. HUMPHREY. The Senator is a wise man. I think he can find it.

Mr. KEATING. This is an admirable program. It has helped. It has been one of the reasons for building up the huge surpluses; but, as the Senator from Delaware [Mr. WILLIAMS] has pointed out, there is a time and place for everything. With surpluses running out of our ears, and with our bins inadequate to hold the surpluses, might we not curtail this program, with the possibility later of increasing the amount?

Mr. HUMPHREY. If the Senator wishes to cut down on production, obviously he is not seeking to reduce acreage. The program we are discussing has a record of 22 million acres of intensively cultivated land being taken out of production. That is a sizable amount.

If the objective of the Senator from New York is to reduce production, why not stop research on new seeds? Fantastic new seeds and fertilizers have done more than anything else to increase production. Of course, the Senator does not wish to stop research on new seeds, and neither do I. Such research programs represent progress. We need research. We need better fertilizers, and we need better land. The Nation will be here a few years after we are gone, I hope. At present we are barely holding our own in the field of conservation. During the war years we had to give up much conservation. We went backward. Now we are catching up a little. Finally, we have a program in farm conservation which has begun to rebuild the fertility of the eroded soil of America. The soil of America, with the topsoil protected, has a greater security value than all the bonds in the Chase National Bank or in Wall Street in New York. The wealth of the Nation is in its topsoil. The wealth of the Nation is in its great God-given natural resources. The least we can do is to protect them.

Mr. KEATING. We are not here debating the question of the Wall Street banks—

Mr. HUMPHREY. We could.

Mr. KEATING. Or the merit of the banks or their value to the country. We are here trying to determine whether \$100 million or \$250 million is the right amount to spend for this program. It strikes me that those who have studied the problem in the Department of Agriculture—and certainly they are sympathetic to the program, and favor it, as do I—realize that \$100 million "ain't" hay."

Mr. BUSH. Mr. President, I wish to express my support for the amendment

offered by the Senator from Delaware [Mr. WILLIAMS], and to commend him for offering it.

I also commend my good friend, the distinguished junior Senator from New York [Mr. KEATING] for his analysis of the remarks of the majority leader on last Thursday. I believe that what he said deserves the attention of all Senators, as well as of people throughout the United States, in order that they may see the fallacy of the statements which were made at that time, and which are still being made. Such statements seek to present the majority party as the party of economy, despite the fact that it seems to most people that they have not been the party of economy, but rather have fought the President's economy measures from time to time, and almost constantly in the past three Congresses, including this one.

While supporting this amendment, I intend to vote against the bill, House bill 7175, the appropriation bill for the Department of Agriculture and the Farm Credit Administration for 1960. I shall so vote in protest against the failure of the Democratic Party majority in control of the Congress to make possible essential reforms in farm programs, reforms which have been repeatedly recommended by President Eisenhower and the Secretary of Agriculture, Mr. Benson.

They have fought Secretary Benson every step of the way. They have tried repeatedly to force his resignation. Fortunately for the people of the country, he is a man of great courage and determination, and he has very patiently withstood all the attacks on him, and has proceeded to do his job in a workmanlike, patriotic manner, without allowing personal attacks to disconcert or upset him. I believe that he is one of the most admirable and deserving public servants I have ever seen. I hope his strength may endure, so that he may finish his administration with the courage and determination which have characterized his work heretofore.

It is imperative that the Congress act to prevent the continued piling up of surpluses of farm products, at enormous cost to American taxpayers. Yet the Democrats, in control of this and recent Congresses, have insisted upon a continuation of programs which can only result in more and more surpluses and more and more expense to the taxpayers, not only of my own State of Connecticut, but of all the States.

The pending bill calls for total appropriations of almost \$4 billion. Included in that sum are funds for the support of programs which I thoroughly approve—for example, the school lunch program, the watershed protection program, the flood prevention program, and agricultural research.

My vote against the bill should not be construed as opposition to those desirable programs; but I cannot vote for funds for their support without also voting for enormous sums for the continuation of price support programs, which inevitably will add to the surpluses, which now total almost \$11 billion, and which cost the taxpayers of the country approximately \$1 billion a year in stor-

age and interest charges. This, Mr. President, I refuse to do.

I listened to the debate yesterday on the Senate floor and I heard distinguished Senators comment about the futility, almost, of the present situation. The distinguished senior Senator from Georgia [Mr. RUSSELL], who is in charge of the bill, referred to the farm program as being completely out of hand. The distinguished Senator from Illinois [Mr. DOUGLAS] admitted to a feeling of frustration about this program. The distinguished senior Senator from Florida [Mr. HOLLAND] spoke of the whole farm program as one of confusion and disappointment.

So, Mr. President, it appears to me that even those who are going to support the bill are very much confused and discontented with it. It is unfortunate that apparently no real attempt has been made or is being made by Congress to revise and economize and modernize our farm program.

I am afraid that so long as the standing Committee on Agriculture and Forestry, the legislative committee, is constituted as it is, we will get committee reports favoring largess for the farmers, as we have in recent years.

I for myself intend to vote against the bill as a protest against the status quo and as a plea for reform in farm legislation, and as a plea for support of policies which have been repeatedly sent to Congress and emphasized by the Secretary of Agriculture, Mr. Benson, and the President of the United States.

Mr. RUSSELL. Mr. President, were it not for the lateness of the hour, I would address myself at some length to the pending item. However, I wish to associate myself completely with the able and eloquent remarks of the distinguished senior Senator from Vermont [Mr. AIKEN], who has been familiar with this program since its inception. He has served as chairman of the Committee on Agriculture and Forestry and is an ex officio member of the Committee on Appropriations.

It is very easy for Senators who live in the large centers of population to look at this item and say, "I can vote against it with impunity." However, from an overall standpoint—as a program which affects the future of the country—I know of no program which merits the support of every Member of Congress as much as does this one.

We have in the United States 380 million acres of cultivable land. That amounts to 2½ acres for every person in the United States. I imagine that if we were able to set apart 2½ acres and make them available to every person in the United States, the distinguished Senators who have spoken against the item would be willing to pay out of their own pockets the cost of carrying on conservation practices. They would do so gladly that they might be able to eat, if they knew they could not eat except for the food that would be produced from those 2½ acres of land.

Mr. President, this is about the only program we have been able to preserve intact for the farmers of America. It is a program with which the farmers of

America are familiar. The testimony before the committee from the Department of Agriculture showed beyond any question that there was more interest in this program than there has been in any other program, and that more farmers are anxious to participate in it. Yet it is proposed here to cut it back.

Mr. President, this is one of the few farm programs that Mr. Benson, since he has been Secretary of Agriculture, has been unable to make any progress toward destroying. He has made tremendous progress in destroying the price support program. That has brought down farm income. However, he has not been able to make any progress, since he assumed office in 1953, in destroying the ACP. When he first came into office he tried to cut the program down to \$140 million. Congress at that time—and it was a Republican Congress—refused to go along with the destruction of the agricultural conservation program.

He persisted in his efforts. Last year he tried to cut it to \$125 million. This year he has tried to cut it to \$100 million.

This program is not only of great benefit to the farmers of today; it is insurance for the future to make sure that future Americans will not perish under the Malthusian theory that there will be so many people in this country that we will not be able to support them from the land, and that we will cannibalize each other.

There is no reason on earth that can be advanced for cutting this program by more than half. I wish to point out that if the amendment were to prevail and we should cut the program to \$100 million, there would be only \$62 million allocated to the States. It would require \$48 million for administrative purposes and for the soil conservation technical program. We cannot justify spending almost as much to administer a program as would be distributed to the States. The next step would be to eliminate the program completely.

I could discuss the issue at great length, but I do not desire to labor the point. We have before us the commitments and expenditures for the major Federal credit program, as discussed by the distinguished Senator from New York [Mr. KEATING]. We have new commitments of about \$14 billion or \$15 billion worth of housing. We think nothing of that. We have other programs which run to staggering sums of money. Yet here it is proposed to destroy a program which has been nurtured and which has been a great conservation program for more than 23 years. It is a program which is of vital importance to those who will be living on the land long after the last one of us has passed on.

I wish to say in all sincerity that if the Senate is disposed to cut the program to the figure proposed, we should abolish it altogether, because the program would be so extravagantly wasteful from the standpoint of administrative cost that it could not be justified.

I hope that the amendment of the Senator from Delaware will be defeated.

Mr. WILLIAMS of Delaware. Mr. President, I shall be very brief in summing up my argument in behalf of the amendment. First, I wish to say that I do not question the sincerity of those who have spoken on behalf of the full amount of the proposed appropriation. Some of their arguments, however, might well be used in support of the amendment I have offered. Most of the arguments have emphasized that the program is one to increase the productive capacity of American farms. There is no argument on that point. But why should we spend \$150 million over and above what the Bureau of the Budget requests, to increase the production of more agricultural products?

It is true that the Secretary of Agriculture since 1953 has been recommending that the program be cut. He made that recommendation on the basis that we were producing more than was needed.

Congress rejected his suggestions.

In the 6 years since 1953 we have compelled the Secretary of Agriculture to spend over \$900 million more on this one program than he wished—all to increase the productive capacity of the American farms, and thus increasing the agricultural products in storage.

It does not make any sense. Why make the taxpayers pay for putting more lime and more fertilizer on the land in order to increase the productivity when at the same time we are charging them billions annually to store existing surpluses?

We are not only destroying the taxpayers but also rendering serious damage to our farmers.

In this debate, it has been said that the support of this amendment comes from the so-called metropolitan areas. I happen to live close to a metropolitan area. I represent, in part, the second smallest State in the Union. Delaware does not have many counties. Those it has are small. However, I point out to those who have spoken against this amendment that the county in which I live outranks in agricultural production every county in any of the States of those Senators who have spoken in favor of the full appropriation this afternoon. The county in which I live is the fifth county east of the Rocky Mountains in amount of agricultural production. So coming from an important agricultural area I think I have every right to stand up and say what I think the American farmers need.

Do not forget that the farmers are very much interested in a balanced budget. Certainly they as well as all other taxpayers are interested in getting rid of commodity surpluses, but that result cannot be achieved by a continuous pouring out of the taxpayers' money under one program to increase production while at the same time the taxpayers' money is being used to hold down production under another program.

Our Government is now spending millions of dollars to take land out of production. We spend billions to support crops being produced on cultivated acreage.

Where is it going to end?

The farmers in my State and in the State of the distinguished senior Senator from Georgia [Mr. RUSSELL] were penalized unjustly as a result of such a contradictory program a few years ago, when the Department of Agriculture, through various lending agencies, encouraged and financed increased production in the poultry industry. Today, poultry raisers and others connected with the poultry industry are suffering from this overproduction and overcapacity.

A contradictory program such as proposed here cannot be justified. Not only does it increase the amount recommended in the President's budget by \$150 million but also it increases the productive capacity of the same farmers by providing free lime and free fertilizer to increase the production of crops which another agency will have to buy and put in storage houses.

In the name of both the American taxpayers and the American farmers the amendment ought to be adopted.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNING], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNING], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting, the Senator from

Virginia would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Florida would vote "yea."

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Missouri would vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPP] are necessarily absent.

The Senator from South Dakota [Mr. CASE] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

If present and voting, the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPP] and the Senator from South Dakota [Mr. CASE] would each vote "nay."

Mr. MORSE. Mr. President, under rule XII of the Senate, I ask to be excused from voting on this amendment. My reason is that over the years I have participated in the soil-conservation program, on farm land which I own and operate, to the amount of approximately \$300. These Federal payments were for the conservation program's share of the cost of lime. Therefore, in order to avoid any suggestion of a conflict of interest, and for reasons which I discussed earlier this afternoon, during the debate, I ask to be excused from voting on this amendment.

The PRESIDING OFFICER. The question is, Shall the Senator from Oregon, for the reasons assigned by him, be excused from voting on this amendment?

All in favor will signify by saying "Aye"; all opposed will signify by saying "No."

The "ayes" have it; and the Senator from Oregon is excused from voting.

The result was announced—yeas 26, nays 51, as follows:

YEAS—26

Anderson	Dirksen	Kuchel
Beall	Douglas	Lausche
Bennett	Frear	Martin
Bridges	Goldwater	Morton
Bush	Gruening	Saltonstall
Butler	Hickenlooper	Scott
Case, N.J.	Hruska	Smith
Cotton	Javits	Williams, Del.
Curtis	Keating	

NAYS—51

Aiken	Hart	Mundt
Allott	Hayden	Neuberger
Bartlett	Hill	O'Mahoney
Bible	Holland	Prouty
Byrd, W. Va.	Humphrey	Proxmire
Cannon	Jackson	Randolph
Carroll	Johnson, Tex.	Robertson
Chavez	Johnston, S.C.	Russell
Church	Jordan	Sparkman
Clark	Kerr	Stennis
Cooper	Langer	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Mansfield	Wiley
Ellender	McCarthy	Williams, N.J.
Engle	McClellan	Yarborough
Ervin	McNamara	Young, N. Dak.
Gore	Monroney	Young, Ohio

NOT VOTING—21

Byrd, Va.	Hartke	Moss
Capehart	Hennings	Murray
Carlson	Kefauver	Muskie
Case, S. Dak.	Kennedy	Pastore
Dodd	Long	Schoeppel
Fulbright	McGee	Smathers
Green	Morse	Symington

So the amendment of Mr. WILLIAMS of Delaware was rejected.

During the discussion on the amendment of Mr. WILLIAMS of Delaware,

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for a moment? I had an amendment which I discussed yesterday afternoon at considerable length with the chairman of the Appropriations Subcommittee on Agriculture. There was an agreement between us as to the form of that amendment. If I were permitted to offer it now, I am advised it would be accepted by the chairman of the subcommittee, as he indicated yesterday.

Mr. WILLIAMS, of Delaware. Mr. President, I understand the amendment has been agreed upon and there is no controversy about it. If by unanimous consent my amendment could be temporarily laid aside and the amendment of the Senator from Wyoming accepted, there would be no objection, because I understand the Senator from Wyoming has to leave. However, I would want to reserve the floor.

Mr. O'MAHONEY. That would be quite agreeable. I make that request, Mr. President, and call up my amendment, identified as "6-1-59-J."

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The amendment of the Senator from Wyoming will be stated.

The LEGISLATIVE CLERK. It is proposed on page 15, line 24, after the word "therewith", insert a comma and the following: "including the Packers and Stockyards Act, as amended September 2, 1958".

On page 15, line 25, strike out "\$26,306,600" and insert in lieu thereof "\$26,426,600".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY].

Mr. RUSSELL. Mr. President, I have no objection to the amendment.

The amendment was agreed to.

Mr. O'MAHONEY. I thank the Senator from Delaware and the Senator from Georgia.

Mr. WILLIAMS of Delaware. Mr. President, I ask that this interruption appear in the RECORD following action on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I had contemplated offering an amendment to restore \$100 million which, as a result of action of the House of Representatives, was taken out of the loss fund item under the Commodity Credit Corporation. That Corporation was organized in 1933, and has been functioning continuously during the Roosevelt admin-

istration, during the Truman administration, and during the Eisenhower administration. At one time, the Commodity Credit Corporation was an adjunct of the RFC; and, later, it was transferred to the Department of Agriculture, where it operates with the personnel of the Commodity Stabilization Service, and handles price supports and also the disposal of surplus commodities, both at home and abroad. Under the act of 1938, as amended, there is a requirement that the assets of the Corporation are to be surveyed by the Secretary of the Treasury. He is to make a report, and if it is found that the net worth of the Corporation is less than its capitalization, namely, \$100 million, the amount of capital impairment shall be restored by a contribution to the Corporation in the amount of such impairment. That is mandatory. That is the law.

Mr. President, a Treasury appraisal was made on June 30, 1958. That appraisal shows the loss. The ascertained actual loss was \$1,538,424,413. As I stated, that is a realized loss, and that was ascertained nearly a year ago.

The bill now before the Senate contains, not that amount, but \$100 million less. That amount was requested by the budget. That amount was determined by the Treasury. It is not only the function, but it is the duty, of Congress to restore that loss and repair the capital structure of the Corporation. If it is not done, it means there will be that much less money the Corporation will have to carry on the surplus disposal program and to carry on the mandatory price support program. If the money is not restored, those difficulties are going to fall upon the Commodity Credit Corporation; and, in addition, it will sustain an interest loss of \$4 million.

I have conferred with the chairman of the subcommittee. He prefers that what I have suggested not be done, and has given me some assurances that this matter can be handled in a supplementary appropriation bill at a later time.

Mr. President, I am not inclined to disturb the operations and the work of the committee, knowing the diligence and the extraordinary amount of energy the chairman of the subcommittee always devotes to the agricultural appropriation bills. I am inclined, on the basis of those assurances, not to submit my amendment, because if the item is handled in a supplemental appropriation bill, it will still be taken care of in time.

Mr. RUSSELL. Mr. President, I appreciate the kind of personal references of the distinguished minority leader and the very understanding attitude he assumes with respect to this item in the bill. He has, of course, correctly stated the law. The losses incurred by the Commodity Credit Corporation must be restored by the Congress under the existing law.

I regard the obligation of Congress to restore the capital impairment as much of an obligation as the one to meet the

public indebtedness, as evidenced by bonds and other instruments of indebtedness.

There has been a feeling in some quarters that the Department has not made as diligent an effort as should have been made to dispose of Government-owned commodities on the world market by selling at competitive prices. That feeling led to a reduction of \$100 million in the item. As a part of the obligation of Congress, it not only must restore the capital impairment, but it must make good the estimated cost of special activities. The reduction was a total of \$100 million, out of a total obligation of \$2,800 million. The bill carries the other \$2,700 million. It was thought that if the sale of commodities held by the Corporation was pressed more vigorously, there would be a reduction in the cost of storage, interest, and handling charges. These handling and other costs are very large.

Certainly, the impairment of the capital stock of the Corporation must be restored. It is an obligation of the Government, and one which Congress should meet. There are reasons why I would prefer to see the matter deferred until a supplemental bill is under consideration. While the amount involved is large, it is not excessive when weighed against the total being carried in the bill for the Commodity Credit Corporation. It could not possibly affect the operations of the Department until next year, at the very earliest.

I hope the Senator will not press the amendment. After further investigation into the sales program to dispose of commodities in the hands of the Commodity Credit Corporation, we can take care of it in a deficiency or supplemental appropriation bill. It would really be in the nature of a deficiency appropriation.

Mr. DIRKSEN. Mr. President, my purpose in presenting the matter is that I believe in responsible action by the Congress. Repair of the capital stock loss of the Commodity Credit Corporation is mandatory, under the law. It has been since 1938. An appropriation bill may be dressed up and made to look infinitely better as a result of the kind of action proposed; but it is not the right action, by any means, and I think the case and the record ought to be made in respect to it.

I shall accede to the wishes of the chairman of the subcommittee on the basis of his assurances. I am confident this amount will be provided in a supplemental appropriation bill, in due course. I assume the Corporation can get along for that period of time without the \$100 million.

Mr. RUSSELL. There can be no doubt about that.

Mr. DIRKSEN. But restoration is mandatory, and the amount will have to be paid. I assert that we must be responsible in our endeavors no less than we expect the executive agencies of Government to be responsible.

Mr. President, I yield the floor.

Mr. WILEY. Mr. President, I have just returned from a trip across the State of Illinois, from Chicago to

Carthage, in the southwestern area of the State. I was tremendously impressed with the fine soil, the great fields, and particularly was I impressed by the numerous bins of wheat and corn.

I am wondering, if we have bought all that wheat and corn, who owns the bins? I am also wondering if something should not be done to stop the half-million dollars we pay each day for rent. I think the matter should be looked into, because if the farmer who raises the corn has paid for it, and owns the bin and is paid for the storage, it seems to me, as was suggested today, the taxpayer has an interest in finding out just what the situation is.

I was informed that the farmers are getting 30 cents per bushel a year in storage, and that the bin costs them only 40 cents. So, practically in a year's time, the bin is paid for.

Mr. STENNIS. Mr. President, there is a very grave, serious, and far-reaching provision in the appropriation bill, on page 28, which incorporates a large part of the meaning of the so-called Williams amendment which was before the Senate last week in connection with the wheat bill. This is a provision to limit the amount of loans which the Commodity Credit Corporation can make to any borrower or producer. The limitation provided in the bill is \$50,000.

Mr. President, this proposal was presented before the Appropriations Committee, and, as contrasted with another proposal, which I shall mention in more detail, was considered. There was a tie vote as between the two provisions.

As I say, the provision is shown on page 28 of the bill. The counterproposal or kindred proposal I wrote out in the form of an amendment, which is on the desks of Senators, amendment "5-28-59-F" to H.R. 7175.

Mr. President, I have in my hand a short address on this subject prepared by the Senator from Arkansas [Mr. FULBRIGHT] who is away on official business. I ask unanimous consent that his statement be printed in the RECORD at the conclusion of my remarks on this subject.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. STENNIS. Mr. President, referring again to the provisions of the bill, I wish to say to the Senate, with all deference to every Member, I seriously doubt that more than a very small percentage of the Senators have had a chance to study the provision to which I refer to the extent necessary even to begin to realize its far-reaching effects and its implied implications. I know I have given it much study and thought for several days and have not begun to get all the pertinent facts in connection therewith. I have gotten enough to be convinced that it represents a total change in policy for almost the entire agricultural marketing system. That is what we have, a marketing system. This provision would represent upsetting and reversing in a major way the price support program which has been followed

every year for 25 consecutive years. We are asked to do it, Mr. President, through the back door, in a way, as a rider to an appropriation bill.

I think such action would be a grave mistake, with all deference to everyone else who might vote to the contrary.

There is a provision in the House bill on the subject, and there is a provision in the Senate version of the bill. To show the division of thought, there was a tie vote in the Senate Appropriations Committee.

The provision which is now in the bill would limit all loans by the Commodity Credit Corporation to \$50,000. In other words, the loans could go up to that amount and no more.

The version of the same subject matter which I proposed to the appropriations subcommittee which deals with agricultural matters would have the same effect, but would differ greatly. My proposal was that no borrower could leave more than \$50,000 worth of commodities, or commodities combined, with the Commodity Credit Corporation at the end of the agricultural marketing year.

Stated in another way, the farmer could get loans for the total amount of his production, but he could not get a nonrecourse loan for any amount above \$50,000.

I have an illustration to give as to how the proposal would work. It is somewhat complicated, but this is a very important and very far-reaching matter. I shall give my illustration, Mr. President, with reference to cotton because that is the subject about which I know the most, but the same principle would apply to other commodities or to any combination of commodities.

Under the proposal which I presented, the farmer could use the loan for the orderly marketing of his crop during the marketing year, exactly as he does now, and there would be no limitation on the amount he could use. However, at the end of the marketing year the value of all commodities combined which any farmer could leave under loan, to be taken over by the Commodity Credit Corporation, would be limited to \$50,000. For all above that the borrower would be directly liable on his note or contract, the same as he would be liable to a bank. The borrower would be under obligation under the contract to redeem. If he did not redeem, the goods then would be collateral and could be sold. They would be sold. The balance, if any, which was due the Government would be a debt for which the farmer could be sued, and presumably he would be sued. If the farmer were a large producer he would be a responsible man with good judgment. Furthermore, if he did not pay what he owed he would be put on the debt list, as it is called, which would mean he would not be eligible for any loan of any amount at any time until his indebtedness was discharged, and he could not receive ACP payments or any other payments under the farm program.

As to the other \$50,000, which would be a nonrecourse loan, of course the Government would still have the commodities for which the sum of money was loaned. In such a case the same

course would be followed which is followed now. The products would be available, and the Government could sell the products for whatever price they would bring, which usually would be within 90 to 95 percent of the amount of the loan, but the borrower would not be liable for the difference.

As to the amount the borrower would have to pay back, he would have to pay interest on the money, carrying charges, insurance, and storage.

Mr. President, under this plan there would be afforded the benefit of a complete, orderly marketing act. If we do not have that, in my humble opinion the market will be glutted with a great quantity of agricultural products which cannot be placed under loan.

When the commodities are marketed, as would be true in the case of cotton, they will be free commodities and will seek a market somewhere, which will run down their price. That will inevitably happen. It is estimated by those who are in a position to have some idea of the subject that from 2 to 4 million bales of cotton each year will not be eligible for loan under the provisions of the bill we are now considering. Therefore, such cotton will have to seek sale or disposition somewhere else in the fall of the year. A few farmers would be able to hold the cotton, but not many. That process would tend to run down the market price.

Mr. President, we debate for weeks before we willfully reduce the price of the support programs 2 cents, 4 cents, or 5 cents a pound. In my humble opinion, the provision in the bill—with reference to cotton, at least—would do that very thing as soon as it went into operation.

The Senator from Alabama pointed out to me today that there are farms in the Prairie Belt of his State which have as many as 100 families on one farm. Such farms are going to be cut off from participating in the marketing act. So this provision does not refer simply to an individual, to the farmer-owner, but to the 100 tenant farmers who will suffer the consequences, whatever they may be—and no one knows what they will be—as a result of passage of this bill and the cutting off of loans to farmers at the \$50,000 level. In order to get at one so-called large producer we are going to hit 100 small producers.

That illustrates that we do not fully realize the consequences of what we are doing. I believe this example could be multiplied many times in connection with other commodities. I have before me a hastily prepared list of commodities which would be affected by the proposed limitation. They include basic commodities under the present mandatory supports, namely, corn, cotton, wheat, rice, tobacco, peanuts, and extra long staple cotton; and so-called non-basic or permissive commodities such as manufacturing milk, and milk products, chickens, eggs, hogs, butterfat, turkeys, dry peas, soybeans, flaxseed, tung nuts, honey, oats, rye, barley, grain sorghum, dry edible beans, cottonseed, and crude pine gum.

Excepted entirely from the provision are commodities covered under special

acts, such as wool and sugar. I always thought they, too, were agricultural products.

A careful working out of this problem would certainly include some special provisions as to wool and sugar, although they are covered by somewhat different programs. I use that example as another illustration that we are running by some red lights. We are changing policies which we have followed for 25 years. We are not doing so by regular legislative procedure. No legislative committee of the Senate has passed on this question, and no legislative committee of the House has passed on it as yet.

So far as I have been able to learn, the Department of Agriculture has not given firm advice on the subject and placed on the table a statement of its opinion and the complexities involved in the administration of this provision. No one has attempted to analyze the problems connected with the administration of this far-reaching provision in the bill.

No one has attempted to say what the effects would be on the farm credit of the Nation, or to show how the Farm Credit Administration, the local farm credit groups, the smalltown banks, or any other agencies, would be affected. In my opinion the provision would very seriously impair future farm credits. I mean credits for making the crops. I am not referring to credits for buying land, building a house, or building a barn. I am referring to the year-to-year financing of the growing of the crops. Cotton and all other crops would be very seriously affected by this provision of the bill as it is now written.

Frankly, I do not believe there is an opportunity to make the issue clearly understood on the floor of this body. I believe that those versed in the program from the Senate, from the House, from the Department of Agriculture, and from businesses in the vast agricultural enterprise throughout the Nation should come together and give their opinions, exchange ideas, and try to reach some determination as to a limitation—if there is to be a limitation—which will not wreck the farm marketing program.

It is with a sad heart that I predict that if this provision of the bill is enacted into law, the farm marketing program will be wrecked, in the home of its friends, because I believe the great majority of the membership of the Senate and House are friendly to agriculture, and do not wish to punish it. We are taking some long shots in the dark in order to cut off a few so-called large producers, but we shall find that we shall be hitting the entire flock.

I am at a loss to give the Senate any further light than I have already given in these few words. I do not know how the farm credit system and the farm marketing program would be affected, but I know that the credit system would be in jeopardy. The entire marketing system would be in jeopardy. When we tear down the present house, even though it may not be perfect who can build another?

I have a few figures before me. It is estimated that between 5,000 and 6,000 farms will have more than \$50,000 in cotton production for 1 year. A great

may of those, as I have indicated, involve a large number of so-called tenant farmers and their families. Other farms and other commodities would be involved, to the extent of perhaps 10,000 or 14,000 in the entire Nation. Those are strictly estimates.

As I have already said, between two million and four million bales of cotton are certain to be floating around in an unprotected market, or a free market. Whatever the number might be, it would certainly be enough to set the tone of the market, and I think it would create havoc.

Someone asked me how many bales of cotton a \$50,000 loan would take care of. Roughly, the figure is only about 300 bales.

We come now to the practical side of the problem. I do not know where to start or where to stop in explaining the effect on the credit structure. I once had some experience as a lawyer. For 7 years I was on the board of directors of a smalltown bank. I know something about the problems of financing small farms as well as large farms. Until we had the farm credit associations and related programs, together with some of the so-called Government programs, the small farmer was unable to obtain financial backing to grow his crops. He was absolutely bankrupt and broke, with no way of getting off the ground. Certainly we do not want to go back to those days.

I hope that someone who knows more about the subject than I do will have an opportunity, before the bill becomes a law, to study it and improve the language, in the light of its far-reaching effect. I am certain that the Senate does not intend today to carry out the harsh provisions of this particular language.

We are up against a practical problem. It is very difficult, if not almost impossible, to explain these questions on the floor of the Senate. We do not have the facts. For that reason I believe that a vote on this question this afternoon would be largely a vote in the dark. I would rather see whatever is to be done accomplished after more deliberation, and with more facts before us than it is possible to bring to bear on the floor of the Senate.

I note the presence in the Chamber of the Senator from Louisiana [Mr. ELLENDER], who is Chairman of the Committee on Agriculture and Forestry. He is also a member of the Committee on Appropriations. I am not speaking for him, of course, but I know of his deep concern, because of what he has said in the Appropriations Committee. I do not know whether he expects to make any remarks this afternoon on the subject, but I believe that a word from him would be welcome.

The Senator from North Dakota [Mr. YOUNG], who is a member of the Committee on Agriculture and Forestry, as well as of the Committee on Appropriations, has been greatly concerned about this subject.

I do not intend to take a great deal of the time of the Senate this afternoon. As I say, I do not believe it is possible to get the controlling facts before this

body in such a way as to shed light on the program and demonstrate the possible results of this language.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. RUSSELL. I believe that all of us who have any familiarity with the farm problem are vitally concerned about the possible effect of this language.

Of course, the Senate will recall that a record was made on legislation of this character during the past 10 days. The Senate, by a vote of 57 to 20, supported the Williams amendment, placing a limitation of \$35,000 in connection with loans when it was acting on the wheat bill.

When the bill which is now before the Senate was pending in the other body, a limitation in the form of an amendment was offered on the floor of the House. That amendment appears on page 28 of the bill. It provided for a limitation of \$50,000.

As is the case with most floor amendments, it is not perfectly clear as to just what effect it would have. However, the intention of the authors of the amendment and a majority of the Members of the House of Representatives was clearly reflected by the debate. A motion was made to recommit the bill with instructions to include the amendment after it had apparently lost earlier on a standing vote. On a ye-a-and-nay vote of 262 to 165, in favor of recommitting with instructions, the amendment was offered and added to the bill.

We are therefore confronted with a hard, blunt fact, not a theory. We have already put into the wheat bill, on motion of the Senator from Delaware [Mr. WILLIAMS], a limitation of \$35,000. The House of Representatives has added an amendment of similar nature to the appropriation bill dealing with the same subject.

I voted against the so-called Williams amendment. I have no apologies to make for that vote. Whatever may be the merits or the demerits of our farm program, the effect of the amendment is to change the nature of the entire program. It changed it from what had been a price-support program, based on the theory that there should be an orderly marketing procedure so that the farmer could time the marketing of his products in order to sustain a high level of prices, into a subsidy program for farmers whose loans aggregate less than \$35,000. This may be all right for the \$35,000 farmer, but it would have a serious impact on the prices in the marketplace. It would cause about 65 or 75 percent of the production which comes from the large farms affected by limitation to be dumped on the market at a time when it is disadvantageous not only to the producers, but to the processors as well.

Therefore I voted against the amendment. I am opposed to this way of legislating. On a matter involving such a sweeping change of policy as this, legislation should be passed only after thorough investigation and consideration by the standing committee having jurisdiction over the matter.

I do not believe that any man can truthfully tell the Senate what the impact of the provision referred to by the Senator from Mississippi will be on whatever is left of agriculture in this country.

But we are confronted with a condition, not a theory. In recognition of that fact, the subcommittee undertook to rewrite the provision. We tightened up the House amendment to a certain extent, although such limitations do not meet with my approval. However, some kind of limitation was in accord with the present feeling of a majority of the Members of the Senate, irrespective of whether they fully recognized the effect of their earlier action on the wheat bill.

I do not believe there is any doubt that the losses which have been sustained by the Commodity Credit Corporation, and the large appropriations which have been necessary to repair the losses, have caused men who otherwise are reasonable and sane to strike out blindly at the farm program, because it costs a great deal of money. Unfortunately, the victim of this policy of striking out blindly is the farmer. It is not those who are responsible for the losses which have been incurred. However, as I have said, we are confronted with a condition. I hope it will not be as injurious to the farmers and indeed to the economy of the country as a whole as I fear it may be.

Mr. YARBOROUGH. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. YARBOROUGH. Along the line suggested by the Senator from Georgia, is not the most probable result of the proposed limitation, insofar as cotton is concerned, that it will break the price of cotton wide open all the way from Sea Island, Ga., west to the Imperial Valley in California, and absolutely wreck the cotton industry?

Mr. STENNIS. There can be no doubt that it will seriously affect it. Anyone of any understanding or commonsense at all knows that the pitching of 3 million bales of cotton onto the so-called free market is bound to depress it. There are a great many small farmers in our area of the country who do not go into loans anyway. They sell on the open market, and obtain almost what the loan would be, or virtually the same. The provision, if wanted, means that the Government will have to take a great deal more cotton than ever before.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Florida.

Mr. HOLLAND. First, let me say that no one appreciates more than I the seriousness, the conscientiousness, and the very real desire to serve the farming communities of the Nation which always motivates the Senator from Mississippi in a matter of this kind. I wish to supplement, if I may, the remarks made by the distinguished chairman of the subcommittee, the Senator from Georgia [Mr. RUSSELL].

I did not vote for the Williams amendment the other day when it was pending during the consideration of the wheat bill. I did not vote for the substitute amendment to the Williams amendment

which was offered by the Senator from Minnesota [Mr. HUMPHREY]. I agreed completely that the place to work out that kind of legislation was in the legislative committee. We had striven to bring forth something desirable in this field, and the Senator from Delaware, always conscientious in his approach to the problems in the field of agriculture and everywhere else, had in the Committee on Agriculture and Forestry offered an amendment somewhat similar to this amendment. It was not adopted by the committee.

When we reached consideration of the House bill in the Committee on Appropriations it seemed to me that, as stated by the Senator from Georgia, we were confronted with a very serious fact, not a theory. We had before us the fact that the House, notwithstanding the opposition of the leaders of its legislative committee, had by a very large vote placed this rather carelessly drawn provision in the House appropriations bill. The Senator from Georgia has already mentioned the fact that that amendment, which appears at lines 8 to 10 on page 28 of the bill, is very much more serious in its possible effects than the amendment which comes to the floor as a Senate committee amendment.

We were also wholly mindful of the fact that the Senate itself, but a few days previously, had approved an amendment a good deal more limited than the one on the House bill.

Therefore, speaking only as one of those who was present on the day the subcommittee amendment which now appears in the bill was formulated—and unfortunately I could not be present on the day to which the Senator from Mississippi has referred when other alternative approaches were suggested—we were trying to temper the House provision so as, first, not to apply it to this year's crop. The House provision apparently applies to this year's crop. Surely, fair play should dictate that agreements already made and plans for planting already proceeding—and planting has already been made in my State on every crop which comes under the price-support program—should not be interfered with, and that any limitation placed in the bill should not apply to this year's crop. There was no difference of opinion on that matter at all in the Committee on Appropriations.

Second, we were completely mindful of the fact that other provisions of the House bill which are variant from the so-called Williams amendment would bring about very great problems if we went into conference without giving careful thought to the formulation of an alternative proposal such as we have in the bill.

The alternative proposal follows the wording of the Williams amendment in its final form and applies only to crops of next year, not this year. It applies likewise in such a way as will be fair to those who market their crops through cooperative marketing organizations. We tried to get away from what we thought was the too small limitation in the Williams amendment by adopting the House figure of \$50,000, but otherwise writing into the bill the provisions

of the last version of the Williams amendment, to be effective for the first time next year, and effective in the way that that amendment was finally adopted.

I do not know how we could more carefully lay the predicate for sound legislation in this field, since we had to have such legislation.

I may say, as well, that we were completely mindful of the fact that the wheat legislation was apparently lost, and that apparently nothing of the rather ambitious program which the Senate committee had reported, and a similar but, we thought, not so desirable program which the House committee had reported, would be enacted. So it seemed to me that the \$50,000 limitation in this bill, applicable next year, might do much toward bringing to a head the wheat problem, which is, by all means, our most serious problem.

It seems to me not only that the Senate committee has approached the matter just as cautiously and carefully as possible, but that there may be great good to come from the inclusion of the amendment in connection with the wheat program, to which I have already alluded.

Mr. STENNIS. Mr. President, I am not trying to hold the floor, but I have a few more remarks I wish to make. First, though, I yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, I overlooked stating, and I should have told the Senate earlier, that when this matter was under consideration in the committee, the effort by the distinguished Senator from Mississippi to insert the amendment he discussed earlier lost in the committee by a tie vote. This illustrates the confusion and differences of opinion which arise in dealing with such a complex subject in shotgun fashion.

Mr. STENNIS. That is correct.

Mr. RUSSELL. I do not think anything could illustrate more dramatically the way in which the committee groped with proposed amendments, all offered in good faith, toward the solution of this problem.

I have not agreed with the American Farm Bureau Federation's policies in many respects, but many Senators thought they were certainly worthy of consideration in legislative matters. I assume all Senators have received telegrams from the president of the American Farm Bureau Federation, Mr. Charles B. Shuman, vigorously opposing this way of imposing a ceiling on price supports.

He says, in part:

Such limitations deal with the symptom of the problem instead of the real cause of surplus production. In addition, it would break faith with farmers who have already voted marketing quotas.

I think that is true. In some cases, marketing quotas have been voted for more than 1 year, particularly in the case of tobacco. This proposal certainly will deal directly with the problem.

The more we study the problem as we proceed, the more difficulties we encounter in legislation of this kind. Even though we study it most carefully I fear

that in the absence of hearings it will be found, in the last analysis, our action here and again in the conference with the House, in finally agreeing on language dealing with this subject, that we have left somebody out or have done something which is very damaging to some segment of our economy.

Mr. STENNIS. Mr. President, I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I commend the Senator from Mississippi for calling this amendment to the attention of the Senate and also calling attention to some of the adverse effects which it might have.

I am one who voted for the amendment to the agriculture bill, first limiting to \$35,000 the amount of money anyone could receive in price supports for each commodity, and then an overall \$35,000 limitation. I did so because I thought some limitation was necessary.

To legislate on an appropriation bill, as we are now attempting, is quite a different matter. I am afraid we may run into some serious trouble. For example, an attempt is now being made to exempt farm cooperatives. What shall we do about church organizations? In my State, practically all churches own a considerable amount of land. We may run into serious trouble now between the church organizations and the tenants who farm their land.

A loan on crops is desirable if it is repaid to the Federal Government. Let me give an example of how marketing conditions in my State have changed over the years. Thirty years ago, when we farmed with horses, it took 2 or 3 months for the grain to reach the market. Now, with combines, tractors, and good weather, all this grain is poured onto the market within 2 or 3 weeks. It is desirable from the point of view of operating a good price support program and orderly marketing that price support loans of any size be permitted to farmers, if they are repaid; and the proper limitation, from my point of view, would be on the amount of nonrecourse loans which any farmer might receive. That makes for more orderly marketing than the amendment we are discussing today.

Mr. STENNIS. Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I should like to have the Senator from Georgia, the chairman of the Subcommittee on Agricultural Appropriations, also listen to what I am about to say.

I commend the Senator from Georgia, the Senator from North Dakota, and other Senators who have worked so long on this agricultural appropriation bill. Not only have they reported a very good bill, but they have also succeeded in protecting it on the floor of the Senate.

However, I am advised by officials of the Department of Agriculture that the present provision in the Senate appropriation bill, limiting to \$50,000 the amount of price support which any person may receive on all of his 1960 production, is impossible of administration in the case of the dairy price support program.

A dairy farmer markets milk. The Commodity Credit Corporation does not purchase or make loans on milk. As required by law, the Commodity Credit Corporation supports the price to producers of milk and butterfat through the purchases of the products thereof, namely, butter, cheese, and nonfat milk solids. These purchases are made from dealers and manufacturers in carload lots. Milk as it comes off the farm goes into a commingled mass at the receiving points where it is processed. Only that portion of the processing plant's product which cannot be sold on the market at support prices, and is, therefore, surplus, comes to the Commodity Credit Corporation. The identity of the farmers whose milk came to the Commodity Credit Corporation in the form of products is lost. Many small plants do not have carloads available for sale to the CCC, but forward their production to assemblers and other handlers for sale; and the assemblers and handlers, when they have a surplus carload, sell to the CCC.

Under these circumstances, it would be impossible to determine the amount of price support which has been extended to any particular farmer through the purchase of dairy products under the price support program. It is essential, therefore, that an exception to the limitation be permitted where price support is extended by purchases of a product of an agricultural commodity from processors and dealers, and there is no practicable way to apply such a limitation.

I had prepared an amendment, to be inserted at the proper place, which reads as follows:

The limitation herein shall not apply if price support is extended by the purchase of products of an agricultural commodity from processors, dealers, or cooperatives.

I may add that the same obstacle would be encountered if an effort were made to support the prices of pork, beef, or other animal products.

Mr. RUSSELL. And poultry products.

Mr. AIKEN. And poultry products. I know that the Senate Subcommittee on Agriculture Appropriations did not intend to discriminate against any particular product or make it impossible to support any particular product up to the amount of \$50,000. I am certain the House committee did not intend to discriminate, either; that this subject will be a legitimate matter for consideration by the conference; and that wording can be found which will accomplish the purpose which the committee intended to serve. Am I correct in my assumption?

Mr. RUSSELL. I am certain nothing could point out more clearly the difficulty of dealing with a matter of this kind, and of being fair to all segments of our variegated agricultural economy, than the statement the distinguished Senator from Vermont has just made.

Of course, there is no intention to discriminate against producers of milk or dairy products generally. Certainly we do not want to discriminate against the producers of beef, pork, or poultry.

I assure the Senator from Vermont that this matter will be studied under a magnifying glass before we go to con-

ference. I will endeavor within the limits of my ability to deal fairly with all methods of supporting agricultural commodities.

Mr. AIKEN. I think the intent of the committee has been made perfectly plain. The assurance of the Senator from Georgia is as good with me as acceptance of an amendment, because I know that whatever inequities exist will be corrected in conference.

Mr. RUSSELL. I assure the Senator from Vermont that we shall endeavor to do so; and I appreciate his calling our attention to this matter at this time.

Mr. STENNIS. Mr. President, I appreciate the Senator's remarks.

As I have said, I am not trying to keep the floor. I wish to make a few more remarks; and I shall do so very briefly.

Mr. President, the amendment to which I referred at the beginning of my remarks is the one which was offered in the Appropriations Committee. In the committee, it failed of adoption, by a tie vote. As the Senator from Georgia has stated, that happened on the very day after the subcommittee had written the language which now is in the bill. So that certainly shows that there was not great certainty about the matter in the minds of the members of the committee, as the Senator from Georgia has pointed out.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, the text of my amendment which is identified as "5-28-59-F."

There being no objection, the amendment intended to be proposed by Mr. STENNIS was ordered to be printed in the RECORD, as follows:

At the end of item (1) of the last proviso in the item "Limitation on Administrative Expenses, Commodity Credit Corporations", insert the following: "without providing (notwithstanding section 405 of the Agricultural Act of 1949 as amended) for the full repayment of all amounts advanced in excess of \$50,000 plus interest thereon in any marketing years".

Mr. STENNIS. Mr. President, let me give a brief illustration, in response to some of the criticisms of the price-support program.

The price-support program is looked upon by some as a direct subsidy to the farmers. Certainly that is not true, inasmuch as the Government takes title to the commodities when the loan period has expired. For example, the Commodity Credit Corporation took title to more than 2,420,000 bales of cotton as of August 1, 1958, at an acquired value of \$323,687,000. That transaction has been interpreted by the general public as a complete loss to the government. Of course, Mr. President, such an interpretation is absurd; it is far from accurate, because that cotton, which had an acquired value of \$133 a bale, had an actual market value on the date when it was taken over by the Commodity Credit Corporation of only a little less than the acquired value. If that cotton had an average grade and staple equivalent to Strict Low Middling 1 inch, the market value on the day when it was taken over would have been \$128 a

bale—or almost as much as the government actually loaned.

So, Mr. President, that illustrates that the actual loss on that day, on cotton of that average grade and staple, amounted to just a little less than \$5 a bale, or, on the average, a little less than 1 cent a pound. So, after all, the so-called loss was just that small margin, rather than the gross sum. That is a perfect illustration of the orderly marketing of that commodity. If that number of bales were to be turned loose on the market, it would be crushed.

Mr. President, I wish to lay this alternative proposal before the Department of Agriculture, and before those who will follow the course of this bill, as being a proposal for consideration along with other points which continually are arising as this subject is probed further, as illustrated by the remarks of the Senator from Vermont [Mr. AIKEN] with reference to the very complicated and highly important question of dairying and dairying price supports.

Mr. President, I ask unanimous consent to have a statement which I have prepared on my amendment printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

This amendment modifies the amendment adopted by the Senate Agriculture Appropriations Subcommittee to limit the volume of commodities eligible for loans. My amendment retains the \$50,000 limitation and is designed to restore the basic principles of orderly marketing to the agricultural program. It satisfies the objectives of advocates of limitations, in that it would protect the Government against nonrecourse loans in excess of \$50,000.

This amendment is a slight modification of the price support limitation contained in the appropriations bill. The \$50,000 limitation would apply at the end of the marketing season and would prevent dumping of agricultural commodities ineligible for loan on the market at the same time small farmers are marketing their crop. My amendment would permit all producers to use the loan as an orderly marketing tool but would limit the Government obligation at the end of the year to \$50,000. Farmers placing more than this amount into the loan would be required to redeem from the Government any amount over this level.

The question has been raised as to the inability of the Government to force producers to repay loans in excess of \$50,000. It is my understanding that farmers who do not comply would be placed on the Department's debt list and would not be eligible for future price support loans, conservation reserve payments, ACP payments, or other Government benefits, for example, soil bank payments. This penalty certainly appears to be adequate to enforce compliance. In addition, the Commodity Credit Corporation would take over the commodities in question which would have a value of at least 90 to 95 percent of the loan value. By sale of these commodities, the CCC would reduce possible Government losses to a minimum. Suit would then be brought against the producer to recover the balance.

The placing of limitations on price support loans without this important safeguard would result in untold damage to markets and could eventually destroy our agricultural program. In the case of cotton, the future markets for October 1960 has dropped \$7.15

per bale since the limitation was placed on the House agriculture bill on May 20. It certainly seems reasonable to assume that this same condition and possibly even greater reductions would apply to other commodities.

Limitations could not possibly work to the advantage of anyone—farmers, manufacturers, distributors, or consumers. They do threaten to place an element of uncertainty in the market which would reduce the market price to farmers at a most critical time. Limitations will create confusion in the markets, year around, for both foods and fibers. If we must have limitations, they should certainly be applied in such a way as to do the least possible damage.

Our price support loan program is looked on by many people as a direct subsidy to farmers. This is certainly not true, as the Government takes title to the actual commodity when the loan period has expired. For example, the CCC took over 2,420,000 bales as of August 1, 1958, at an acquired value of \$323,687,000. This transaction has been interpreted by the general public as a complete loss to the Government. This is far from accurate, because this cotton which had an acquired value of \$133 per bale had an average market value on the date it was taken over by the CCC of a little less than the acquired value. If this cotton had an average grade and staple equivalent to Strict Low Middling 1 inch, the market value on the day the commodity was taken over would have been \$128, almost as much as the Government actually loaned.

We are dealing with a most serious problem here. The market for many agricultural commodities reacts violently to uncertain change in supply and demand. The CCC loan program has been a great asset in giving stability to our market. If we destroy this basic concept of orderly marketing, we have destroyed the heart of the agricultural price support system. To place limitations on price supports without safeguards provided in my amendment to prevent an undetermined amount of ineligible commodities to be dumped on the market at one time, would create a grave uncertainty which would seriously effect all of agriculture.

There is one other point that should be given serious consideration. Aside from the direct effects of loan limitations on farm income and commodity markets, the disruption of orderly marketing will have a decided impact on farm credit agencies and organizations, both public and private. Agriculture today is undergoing drastic change. Capital investments on farms are at a record level. Production costs have been steadily going up. Risks are greater than at any time in history. The disruption of orderly marketing will threaten the very foundation of the agricultural credit system in this country.

If there is any one segment of our economy which needs stability and improved income, it is our farmers. My amendment is not giving our farmers anything, it is merely protecting them from what could develop into a most tragic situation.

Mr. STENNIS. Mr. President, at this time I gladly yield the floor.

EXHIBIT 1

STATEMENT BY SENATOR FULBRIGHT ON LIMITATION OF PRICE SUPPORT LOANS

The proposed \$50,000 limitation on price support loans is unwise and unjust. It appears that the proponents of this limitation are not familiar with the objectives or the operation of our price support system.

The CCC commodity loan program is designed to enable farmers to market their crops in an orderly manner. Prior to the beginning of the loan program farmers were at the mercy of the market. Most farmers found it necessary to sell their crops immediately after harvesting in order to pay

off production debts. In effect, a very large percentage of the crop was dumped on the market in a short period, with a consequent effect on the market price. Few farmers could afford to store their crops until the market price became more favorable. The commodity loan program was initiated to smooth out the gyrations of the supply and demand curves and allow a farmer to sell his crops at any time during the marketing year. The farmer is no longer required to sell his crop at harvest time, but may place it under Government loan and withdraw it at a time when the market price is more favorable. The loan program has become an essential factor in our agricultural marketing operation.

There is a widespread misconception about the mechanics of the loan program. The public has been led to believe that farmers have a direct pipeline to the treasury and receive liberal Government handouts.

Much of the recent publicity which the loan program has received furthers this misconception. It is essential to remember that this is a loan program and not a direct subsidy. The farmer puts up collateral for his loan in the same manner as one who borrows from a bank. If the loan is not repaid the Government takes title to the commodity. The farmer may at any time during the marketing year repay his loan, plus interest and storage costs, and sell the crop on the market. Little attention is given to the fact that many of the loans are repaid. The opponents of the price support program concentrate solely on the loans made. It is also true that, even where a loan is not repaid, the Government can sell the crop put up as collateral and minimize its loss. Unfortunately, the cost figures for the farm program are unusually susceptible to distortion and misleading interpretations.

I oppose the proposed limitation. It would violate the basic principle of the CCC loan program. If the limitation is approved it will result in many large producers being forced to sell their crops at harvest rather than permitting them to be marketed in an orderly manner. The dumping of large quantities of a commodity on the market in a short period of time could have a disastrous effect on market prices. It is likely that such a decline would result in farmers putting much more of their crops under loan than before with a consequent effect on the cost of the price support program. As a practical matter, most smaller farmers sell on the market rather than put their crop under loan. The larger operators use the loan program more extensively because their marketing operations must be more closely geared to insuring an orderly, smooth flow in the marketing system. If the \$50,000 limitation is imposed, the small farmer will put his crop under loan rather than sell on a distressed market. The CCC handling costs will rise sharply due to the greatly increased volume of small loans. This limitation will hurt, not help, the small farmer. All farmers, and especially the smaller ones, will suffer from the destructive effects of this limitation on the present marketing system.

The proposed limitation would deprive farmers of benefits which he is rightly due from his participation in the farm program. The Government has encouraged all farmers to cooperate in reducing production and in return for this cooperation has offered the advantages of the CCC loan program. The large farmer is subject to the same acreage and other restrictions as the small one but the proposed limitation would deny him the right to participate in the benefits promised by the Government. Instead of being rewarded for his cooperation, he will be penalized. Surely this is not in keeping with our traditional principles of justice and fair play.

I want to point out that this limitation applies to the gross value of the crop placed

under loan. Out of a \$50,000 loan it is possible that the farmer would receive little if any net income. Production costs or crop losses may be so severe that the farmer will realize no net income from the crop placed under loan. I fear that the public has been led to believe that commodity loans are all profit to the farmer.

I am aware of the popular appeal of this proposed limitation. However, I think that if the public could be made aware of the grave consequences of such a limitation the picture would be quite different. The limitation would disrupt the marketing system with harmful effects to both large and small farmers as well as agricultural processors. It would also increase the costs of administering the loan program and in the end cost the taxpayers more than the present system. And it would violate a moral obligation which our Government owes the farmer for his participation in the farm program.

I urge all Senators to study this question carefully. There is far more to this proposal than would appear on the surface. I hope that the limitation will be removed from the bill.

Mr. ELLENDER. Mr. President, it is not my purpose to detain the Senate for any great length of time. I covered thoroughly the subject of price support limitations when the Senate considered the wheat bill last week.

I regret very much that some Members of the Senate are trying more or less to legislate on agricultural problems without knowing the consequences which may ensue from such legislation.

There is no doubt in my own mind that all such talk has originated from various misleading statements which have been made by the press, as well as by the Department of Agriculture.

No doubt the trouble started when the conservation reserve and the acreage reserve programs were placed on the statute books. Some of us were very doubtful of the results which would be obtained from the so-called soil bank. I voted—very reluctantly—for it. Mr. Benson made a very impressive witness when he appeared before the committee and advocated the soil bank proposal. But, Mr. President, in the final analysis, all of the misrepresentation of the farm program came about because of the soil bank program. There is no doubt that many large operators obtained substantial payments for not planting crops. That gave the farm program a black eye—so much so that Members of Congress are of the opinion that the program we now have on the statute books may be compared with the one which I have just now been discussing—that is to say, the soil bank program. They forget that the program now on the statute books is primarily a stabilizer of prices of agricultural commodities, and nothing else; no direct payments are made to farmers.

Mr. President, as the distinguished Senator from Mississippi [Mr. STENNIS] has so ably pointed out, the purpose of the present program is to provide for the orderly marketing of agricultural commodities. As I pointed out the other day when the Senate was considering the wheat bill, there is no doubt in my own mind that if the larger growers, many of whom can produce much more cheaply than the smaller growers, were to dump cotton, let us say, or any other agri-

cultural commodity on the market, such dumping would have the effect of depressing the prices to a considerable extent. As a result, many of the small farmers, who now do not take advantage of the loan program, but, instead, sell in the open market, would be forced to resort to the loan program.

Mr. President, I have before me a prepared statement which covers most of the points which were raised this afternoon during the debate. I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELLENDER

At the outset I would like to do nothing better than to cast my vote in favor of legislation which would reduce the cost of the price support program, reduce Government holdings of commodities, and enhance farm prices. In my judgment, however, the language the Senate is called upon to consider will do none of these things.

As a practical matter, I do not believe there is any way of telling just what this language will do, except that if approved, it may well destroy the present farm price program, increase Government costs, and injure those whom it professes to assist, namely, the small farmer.

During Senate debate on the wheat bill, a week or so ago, a similar amendment, limiting price supports to \$35,000, was offered by the Senator from Delaware [Mr. WILLIAMS]. Senators who were on the floor during consideration of the Williams' amendment may recall the debate that ensued. The specter of rising costs of the farm program was hauled out, set up as a gigantic strawman, and rhetorically flogged to pieces.

Aside from providing a few Senators with an opportunity for oratory, that debate also provided an opportunity for some of my colleagues to display what, in my opinion, is an abysmal lack of knowledge about the concept and mechanics of the present farm program.

Our farm program today is not a program of direct payments. If the Government were annually mailing a check for huge sums to some farmers, then a limitation such as that proposed by the Senator from Delaware, a limitation similar to that in the bill before us today may be justified.

But the price support program now on the statute books is not such a program. It does not involve cash subsidies. It is just what the name implies, a price support program—a marketing stabilization device—a means whereby market prices are stabilized. Let me repeat, it is not a direct subsidy.

There are a few Senators here today who may recall the genesis of the present program. Prior to its enactment, farmers were plagued with seasonally low prices. As crops were harvested, huge amounts were dumped on the market at about the same time. Prices were forced down, and because farmers had no place to put their commodities other than the market, a vicious circle began. As more crops moved to harvest, prices fell further and by the time the bulk of the crops were harvested, there were, for all practical purposes, no markets at all.

To correct this situation, the Congress enacted a marketing stabilization program. We provided a means whereby farmers would not be compelled to move their crops directly from the field into the marketplace. Instead, we offered an alternative. Instead, through the Commodity Credit Corporation, farmers were permitted to borrow a sum of money, expressed as a percentage of parity, and pledged their crops as collateral. The

theory behind the program was very simple. Instead of forcing all crops into the marketplace at the same time, farmers were offered a place to put those crops, until such time as market prices recovered from harvesttime gluts. As prices rose, farmers could redeem their crops by repaying the amount of their loan, plus interest and carrying charges. The crops so redeemed could then be sold on a stable market.

The availability of such price supports were and still are made subject to certain restrictions, however. In order to be eligible for price support loans, at least two-thirds of the farmers involved must agree, in a nationwide referendum to accept acreage restrictions, when found to be necessary in the light of estimated consumption, and carryovers from previous crops, among other things.

It is true, and I am the first to admit it, that the program has not worked well during the past few years. Vastly increased production, made possible by ideal weather conditions and our technological advances in agriculture, has outstripped markets. Despite acreage limitations, imposed as a condition precedent to obtaining price support loans, production has exceeded domestic and foreign requirements. Crops placed under loan have not been totally redeemed. Instead, some of the crops pledged as collateral have been taken over by the Government for nonpayment of loans, just as any lender seizes the collateral pledged as security for a loan when the borrower defaults in payment.

But the fact remains that the present price support program is basically a market-stabilization device, not a direct payment or subsidy. By adopting limitations such as that proposed in the pending bill, limitations which might have some place in a direct subsidy program, we will, I fear, destroy completely not only the concept, but the effectiveness, of the present price support program.

It is attractive politically to flay the large producers, but merely lambasting them, punishing them, does not make them cease to exist. They remain, whether some Senators like it or not, and once it is recognized that they remain, then any solution to the farm problem must take them into account.

Limiting price support to farmers who produce, in the aggregate, less than \$50,000 of price supported crops, is not going to solve anything. On the contrary, it may well aggravate our problems.

The record shows that about one-third of our farm production originates on large, often corporate, farms.

By denying large producers the opportunity to put their crops under loan, such producers will be compelled to dump their crops on the market. In other words, it is highly possible that one-third of our farm production, if not more, will float around, dangle over the market, and adversely affect prices. Because the total production from large farms is so vast, market prices may well be further depressed, if this limitation is enacted, further widening the gap between the support price and the market price. Thus, when the time comes for the Government to dispose of surpluses taken over as a result of loans, the losses to the Commodity Credit Corporation may actually be increased, instead of reduced.

Yet, are not large CCC losses cited as a reason for needing this limitation?

Of course, there is an alternative. Instead of selling the crops it takes over under the loan program, and thereby incurring losses, the Commodity Credit Corporation could hold stored crops. Of course, this would mean increased storage costs—and another rise in the already enormous Commodity Credit inventory.

Yet, is not the magnitude of this inventory one of the other arguments advanced by

those who urge the limitation of price support loans?

It strikes me that instead of going off halfcocked, instead of attempting to, in effect, write basic farm legislation through the dubious means of a cleverly drafted limitation amendment to an appropriations bill, the interest of all concerned—farmer, consumer, taxpayer, the Government—would be better served if we withheld action until at least we had some inkling of what the language in question would do.

Let me state at this time that the staff of the Committee on Agriculture and Forestry has already sought a prediction from the Department of Agriculture as to just what adoption of language similar to that proposed would mean in the way of production, Government costs, and farm income, among other factors. I am informed by the staff that the Department would not be able to provide such an analysis for another 30 to 60 days.

In other words, we are being asked to buy a pig in a poke. We are being stampeded, it seems to me, into voting on something which the slick magazines and a few newspapers have demanded through the use of untrue statements, juggled figures, and, I must add, an attitude confounded and compounded of inaccuracies, and nurtured by a lack of understanding of how the farm price support program works.

I, for one, am not going to participate in a blood offering on the altar of journalistic demagoguery. Furthermore, I believe the Senate is entitled to know just what the amendment will do before we vote on it, and there are quite a few questions remaining to be answered.

For example, what is going to happen to market prices if this limitation is placed in effect. In my judgment, they are going to be further depressed, since the larger producers will be compelled to dump the bulk of their output on the market at harvest time, just as was the case in the late 1920's and early 1930's, before a price stabilization program was provided.

If this occurs, what is going to happen to the very small producers? Let me tell Senators right now that there are quite a few small farmers who today do not avail themselves of the price-support program's loan feature. Instead, because they need cash immediately in order to pay their bills, they sell their crops f.o.b. the field, you might say—directly into the market. They have received protection in the past because the price-support program stabilized the entire market, but if this stabilization effect is removed, as I fear it will be if the limitation is adopted, then the small farmers will have no choice except to either accept lower prices, with lower income, or put their crops under loan.

Under the first alternative, they are bound to suffer. Under the second, the Government is going to actually end up taking over the same amount or even more crops at the end of the year.

What about milk producers?

In the case of dairy products, the Federal Government purchases milk products, such as cheese and butter, as a part of its price-support program. The Government deals directly with the processor, however, rather than the producer. Under these conditions, how will it be possible for a \$50,000 limitation to be put on each farmer?

In addition, I remind Senators that the limitation in the bill would not limit farmers to placing a maximum of \$50,000 per crop under loan. Instead, they could not receive price-support loans in excess of \$50,000, no matter how many price-supported crops they might produce. What is the farmer who produces two, or three, or more price-supported crops going to do? How much of each is he going to put under loan?

In addition, can Senators imagine the administrative difficulties involved in a limitation of this kind? A farmer who produces both cotton and rice, for example, is going to be limited to \$50,000 on both—not on each, but on both. This means that the Department of Agriculture is going to have to keep a complete set of books not only on individual farmers, but on each crop produced by each individual farmer. Talk about bureaucracy. This limitation, if enacted, may well create the biggest agricultural bureaucracy our country has ever seen.

It seems obvious to me that the proponents of this limitation have not considered what it involves. The limitation does not eliminate restrictions on planting insofar as farmers producing more than \$50,000 of price supported crops are concerned. Large farmers would still be subject to acreage allotments and marketing quotas. Yet, even while subjected to the limitations of a price support program, these producers are being denied, in large part, its benefits. If proponents of such limitations want to be fair, they should be willing to remove acreage limitations on that part of a farmer's production which is not eligible for price support.

This would be the democratic way, it seems to me.

During recent weeks, many Senators have received quite a few letters about Farmer Yankus, who was penalized because he produced more wheat than the law allowed him, despite the fact that none of that wheat received price support. The gist of the complaints I received, and I assume the mail received by other Senators was similar to mine, was the injustice of requiring a farmer to abide by restrictions without according him the benefits of price support.

Yet, isn't that what proponents of this legislation want to do on an increased scale? It just does not make sense.

Last week, during debate on the wheat bill, reference was made to the Delta Pine & Land Co. It was stated that not only did this large, corporate, operation receive a large price support loan, but that, in addition, Delta Pine was a foreign-owned corporation.

I do not intend to plead the cause of Delta Pine and Land, but I do believe Senators should consider what the implications of debate last week on that company may involve.

Laying aside the fact that Delta Pine repaid all of its price support loan, plus interest and handling charges, it nevertheless strikes me that if the Congress is going to begin limiting price support benefits on the basis of nationality, then it should realize what the logical result of such action may be.

Just recently, Mr. Fidel Castro, in Cuba, announced the promulgation of laws which would have the effect of squeezing out foreign-owned sugar-producing companies in that island republic. If the Congress wants to pull a Castro, that is its business, but I, for one, am not about to participate in it.

If Senators want to vote against assistance to foreign-owned or foreign-controlled industries, then I urge them to join me in voting against the foreign aid program.

I feel very deeply about this matter. I do not mean to endorse the faults of the present farm program, nor do I mean to leave any implication that I believe the costs of that program cannot be reduced.

I do believe, however, that the Senate should stop and think, that we are entitled to, and should have, all the facts before writing into law a restriction which I fear will not only prove unworkable, but may actually convert the present price support program into an outright Federal dole—something which I do not believe farmers, consumers, or the taxpayers as a whole, want.

In addition to all I have already stated, it seems to me that the limitation theory, as it appears before the Senate today, is unfair to

agriculture as a whole. Why should one segment of our economy—and let us remember that it is the segment that supplies our food and fiber—components necessary not only for human life, but much of industry, as well—be curtailed and every other segment entitled to unlimited protection of the Federal Government?

If we are to be fair, then why not limit the \$9 million deficiency incurred by the Post Office in the delivering and handling of Life magazine to \$50,000 per year?

Why not limit mail subsidies paid railroad and airline companies to \$50,000?

If this theory is to prevail, then should not the subsidies on Federal aid to the maritime industry be limited to \$50,000?

By the same token, perhaps profits on defense contracts for the production of aircraft, missiles, and the like, should be limited to \$50,000, too.

Why should the Senate single out the brow of American agriculture as the sole recipient of a crown of economic thorns?

In summary let me emphasize three points:

First, this limitation will not reduce the cost of the farm program to the Government. On the contrary, it may actually increase such costs; it will certainly increase administrative costs.

Second, it will not reduce Commodity Credit Corporation inventories. Instead, as the difference between market prices and loan values is increased, Commodity Credit Corporation will be faced with the alternative of either selling its holdings at reduced prices, thus increasing CCC losses, or continuing to store such holdings, with an accompanying increase in storage costs and the value of CCC inventories.

Third, while purporting to safeguard farm income, it may actually further reduce such income, by deriving market prices downward, under the pressure of large producer dumping, once the availability of price support loans to such producers is removed.

The proposition to limit price supports is politically appealing. I wish it were possible for me to ignore my convictions, forget the damage this amendment would do, and support it. It would certainly ease the task of answering my mail.

But I have done my best to be objective concerning all matters upon which I must cast my vote, and I do not believe that this issue should be an exception.

I plead only that others "go and do likewise."

Mr. COOPER. Mr. President, I call up my amendment—

Mr. WILLIAMS of Delaware. Mr. President, does the Senator want to speak on an amendment which is pending?

Mr. COOPER. No.

The PRESIDING OFFICER. (Mr. JORDAN in the chair). The Chair wishes to inform the Senator that there is no amendment pending.

Mr. COOPER. Mr. President, may I inquire if I have the floor. A parliamentary inquiry first. Is there an amendment pending?

The PRESIDING OFFICER. There is no amendment pending.

Mr. COOPER. Mr. President, I call up my amendment identified as "6-1-59-K."

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. It is proposed on page 17, line 16, after the parenthesis and comma, to strike out "\$3,518,300", and insert "\$4,268,300."

On page 18, line 3 after the word "of" it is proposed to strike out "\$1,310,000" and insert "\$560,000."

Mr. COOPER. Mr. President, I modify my amendment as follows:

On page 17, line 16, strike out the the figure "\$3,518,300," and insert in its place the figure "\$3,668,300."

On page 18, line 3, strike out the figure \$1,310,000," and insert in its place the figure "\$1,160,000."

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. COOPER. Mr. President, I may say I have discussed my amendment with the chairman of the subcommittee in charge of the bill, the Senator from Georgia [Mr. RUSSELL]. It concerns itself with the section on page 17 entitled "Foreign Agricultural Service, Salaries and Expenses."

It appears that, as to this section, the House recommended and passed, and the Senate committee has recommended, an item of \$3,518,300 to be used for salaries and expenses of the Foreign Agricultural Service. As I understand, this sum would be a regular appropriation of dollars.

It is also provided, as appears on page 18 of the bill, that \$1,310,000 are appropriated from foreign currencies for the same purposes.

The Department of Agriculture and the Foreign Agricultural Service have contended that the provision of \$1,310,000 for the purposes of salaries and expenses is unrealistic. It has given reasons for the contention, the first of which is that 31 of the 54 countries in which the Foreign Agricultural Service operates do not have any foreign currencies, and that in the other countries where foreign currencies are available, some of them are not convertible.

The Department of Agriculture wanted very much to have a change of \$750,000 made as between the two sums.

At this point, I ask unanimous consent to have printed in the RECORD a communication addressed to Hon. True D. Morse, Under Secretary of Agriculture, by Hon. Loy W. Henderson, Deputy Under Secretary of State for Administration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 2, 1959.

The Honorable TRUE D. MORSE,
Under Secretary of Agriculture.

DEAR MR. MORSE: This letter is in response to your inquiry concerning the practicability of utilizing Public Law 480 local currencies available to the United States abroad for payment of salaries and administrative expenses of the Foreign Agricultural Service, in excess of the approximate amount of \$550,000 equivalent now used for this purpose.

As you are aware, Public Law 480 sales agreements provide that foreign countries purchasing surplus agricultural commodities under the terms of Public Law 480, as amended, shall pay for those commodities in their own currencies. It is this provision which makes such sales agreements attractive to them, and which permits us to dispose of large quantities of surplus commodities. It is clearly understood between us and the purchasing countries that the local currencies paid to the United States are not

available for conversion into the currencies of other countries and are not available to pay obligations of the United States in other countries, except as specifically agreed at the time of negotiating the sales.

It has been our practice, in compliance with your Department's request, generally to request, in negotiating sales agreements, the right to convert into other currencies a limited portion of the local currencies set aside in the agreements for agricultural market development, but this is always a special request asked of the foreign government and negotiated at the time of sales. Necessarily the amounts involved must be kept small.

No provision has been made in existing sales agreements for conversion into dollars or other currencies of the amounts set aside for general U.S. use to pay its obligations abroad under subsection 104(f) of the act, nor is it possible, where convertibility has been agreed to for purposes of market development, to convert amounts set aside for this purpose into other currencies for any other purpose.

It is not practicable or feasible from the foreign policy point of view to reopen negotiations with governments with which we already have sales agreements, in an effort to obtain their consent to converting Public Law 480 local currencies into dollars or other currencies for the use of the U.S. Government in third countries. From the point of view of the other government this would amount to asking payment in dollars or other foreign exchange to the extent of the convertibility requested, and would be considered as an attempt to make new terms and conditions for the sale. The essence of the matter is that the countries purchasing surplus commodities under Public Law 480 in general are unable to make payment in currencies other than their own, and the willingness of the United States to accept their currencies, usable only within their territories, is the chief attraction of Public Law 480 sales for them.

This was stated succinctly by Secretary of the Treasury Anderson in testifying on the proposal for an International Development Association before a subcommittee of the Senate Committee on Banking and Currency, March 18, 1958:

"While the whole subject of local currency accumulation is extremely complex, it should be clearly understood that the United States does not have unilateral power of decision in these questions. Although the United States holds title to large sums in local currencies, these have been acquired only under specific agreements with foreign countries that their use would be limited in various specific ways, and generally these limitations do not permit their use for financing exports.

"The reason is clear. Most of these currencies were acquired from the sale of surplus agricultural commodities of which the United States wished to dispose. In order to avoid a drain on their foreign-exchange resources, foreign countries are willing to buy our agricultural surpluses only if strict limitations are placed upon the use of the currencies which are paid into our accounts. We would have to determine the extent to which these countries would consent to diverting any substantial portion of these currencies from the financing of development in their own country to financing exports to other areas."

Where the Treasury holds local currencies available to pay U.S. obligations, agencies with dollar appropriations to meet their expenses abroad are required to purchase such currencies from the Treasury to the extent required; where the Treasury does not possess such currencies in sufficient quantity, a legislative requirement that Foreign Agriculture Service expenditures be paid from Public Law 480 currencies would either be ineffective or involve us in negotiating

difficulties with other countries. To the extent that the policy of meeting Foreign Agriculture Service expenditures in foreign countries from Public Law 480 funds is feasible, we understand that it is already taken account of in the \$550,000 requested in the Department of Agriculture budget.

This reply has been reviewed by the Bureau of the Budget which concurs in the views expressed.

Sincerely yours,

LOY W. HENDERSON,
Deputy Under Secretary
for Administration.

Mr. COOPER. Mr. President, I have discussed the amendment with the chairman of the subcommittee.

Mr. RUSSELL. Mr. President, the entire question revolves around the degree of the exchangeability of the foreign currencies for use in different countries. I have agreed to take the amendment to conference. After the facts are reviewed, if it should develop that the currencies are interchangeable, I will so state in conference. If it is found there is not an interchangeability to the degree we were informed there was at the time the bill was written, I shall insist on the change in conference. I am happy to take the amendment to conference.

Mr. COOPER. I appreciate the action of the chairman of the subcommittee. After the bill is finally acted upon, if it should develop, as the Department contends, that the provision is unrealistic, and that no foreign currencies will be made available for salaries of the Foreign Agricultural Service, then I hope later, in a supplemental bill, the appropriation of the necessary number of dollars will be made. It is extremely important today that the export of our farm products be stimulated.

I appreciate the consideration of the Senator from Georgia.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky, as modified.

The amendment, as modified, was agreed to.

ORDER TO RECONVENE AT 11 O'CLOCK A.M. TOMORROW—UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE ON AGRICULTURAL APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, I should like to explore the possibility of the Senate's convening at 11 o'clock tomorrow morning and having an agreement to allot 30 minutes on amendments and 2 hours on the bill, to be equally divided. So far as I am informed, I think we could get a vote at 1 or 2 o'clock tomorrow, and it would not be necessary to ask the Senate to stay in session later this evening.

I believe there are two or three or four amendments yet to be offered. There will be some discussion of those proposals.

If it is agreeable to the chairman of the subcommittee and the minority leader, I should like to propose at this time that the Senate convene at 11 o'clock tomorrow, and that at the conclusion of the morning hour there will go into effect a time limitation of 30 minutes on amendments and 2 hours on

the bill, to be equally divided between the proponent of an amendment and the majority leader.

I think we could dispose of the bill quickly, and, I believe, have a majority of Senators pleased by that action.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. LANGER. I want to be present when the bill is considered, because the people of my State are very much interested in agriculture. I must attend a very important subcommittee meeting tomorrow morning. Could the Senator change his request to 11:15, instead of 11 o'clock?

Mr. JOHNSON of Texas. Yes, but I can assure the Senator there will be a morning hour, and insertions in the RECORD will be made during that period.

Mr. LANGER. There will be a morning hour?

Mr. JOHNSON of Texas. Yes.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes, I yield.

Mr. ALLOTT. Reserving the right to object, and I shall not object, I have a very short amendment to offer. On tomorrow I must attend the Appropriations Subcommittee of which I am a member, and it will not be possible for me to be present on the floor. I wonder if we can dispose of my amendment before the Senate adjourns tonight.

Mr. JOHNSON of Texas. How long will it take?

Mr. ALLOTT. Five or 10 minutes.

Mr. JOHNSON of Texas. We shall be glad to do so. The agreement would not be effective until after the morning hour on tomorrow. After the agreement is entered, I shall yield the floor, and the Senator can call up his amendment. I understood the Senator to say it will take only about 5 minutes to dispose of it.

Mr. ALLOTT. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, may we have the question put?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement entered, as reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Wednesday, June 3, 1959, at the conclusion of routine morning business, during the further consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the

said leaders, or either of them, may, from time under their control on the passage of said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

JUNE 2, 1959.

Mr. ALLOTT. Mr. President—

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at this point so we may get the yeas and nays ordered on the passage of the bill, so Senators will know there will be a ye and nay vote on the agriculture appropriation bill?

Mr. ALLOTT. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, on the passage of the bill I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, has the unanimous-consent agreement been accepted?

The PRESIDING OFFICER. It has been accepted.

Mr. ALLOTT. Mr. President, I move to reconsider the vote by which the O'Mahoney amendment was agreed to earlier today.

I will take a few minutes to explain this unusual procedure. The circumstances are that when the O'Mahoney amendment was brought before the Senate I was engaged in the business of a subcommittee on appropriations of which I am a member and of which the Senator from Washington [Mr. MAGNUSON] is the chairman. I had no forewarning or knowledge that the amendment was going to be brought up at that time.

It so happens that particular amendment affects the portion of the bill to which I had previously planned to offer an amendment, so my only way out of this particular parliamentary dilemma is to move to reconsider the vote, with the hope that if the Senate will reconsider the vote I may offer my amendment to the O'Mahoney amendment and have it considered.

Mr. President, I wonder if I could have my amendment, which I would propose to offer, read at this time.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 15, line 25, it is proposed to strike out "\$26,426,000", and to insert in lieu thereof "\$26,452,600".

Mr. ALLOTT. Mr. President, the purpose of the amendment is to provide for marketing and reporting services for the Mountain States area, including Utah, Wyoming, South Dakota, western Nebraska, western Kansas, New Mexico, and Colorado. This service has been carried on since July, 1957, by the Livestock Division of the United States Department of Agriculture in cooperation with the Marketing Research Division of the Agricultural Marketing Service, United States Department of Agriculture. They have been reporting the direct sales of livestock at ranges and feed lots in southern Colorado, Wyoming, western Kansas, Nebraska, and a section of New Mexico.

This activity, commonly referred to as area reporting of direct sales, involves the issuing of weekly range and feed lot sales reports, giving a résumé of direct sales activities.

The amendment which I wish to offer would add \$26,000 to continue this reporting service for another year commencing July 1. It would provide for the employment of two persons only, plus travel expenses and communications expenses. The greater portion of the money would be used for travel and communications, for the purpose of assembling and getting the livestock reports together.

Members of the American Cattlemen's Association appeared before the chairman of the Appropriations Committee and testified as to this matter. I invite the attention of the Senate particularly to the remarks of the chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN], as set forth on page 106 of the hearings before the Senate subcommittee this year. Among other things, the Senator from Arizona said:

The information is very valuable to many, and it makes a lot of difference to the producer and feeder in his income tax return. If the information supplied to him is correct, and he can judge the market properly, he can make a profit, or he can sustain a loss if he doesn't have accurate information to guide his judgment and such loss doesn't help the Federal Treasury when he comes to pay his income tax.

The Senator was speaking, I believe, primarily with regard to annual reports, but he went on to say that the representatives of the Cattlemen's Association had asked for extension of this service, and in the colloquy the committee was told what the proposal was and the necessity for such action.

Mr. CURTIS. Mr. President, will the distinguished Senator yield for a question?

Mr. ALLOTT. I am happy to yield.

Mr. CURTIS. Will the Senator distinguish between what he proposes and what is proposed by the amendment of the Senator from Wyoming [Mr. O'MAHONEY]?

Mr. ALLOTT. The O'Mahoney amendment, as I understand it, included the marketing services in conjunction with the National Stockyards Act. I do not have the amendment before me, and it is not printed. I looked at the amendment at the desk a few minutes ago. The Senator included some marketing services in connection with the Stockyards Act. My amendment is not connected with the Stockyards Act or the stockyards service.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to my colleague from Colorado.

Mr. CARROLL. The Senator from Colorado indicates, as I understand, that a research program has been carried on by the Department of Agriculture with reference to reporting range and feedlot cattle sales for the past 2 years, and after 2 years of a sort of pilot study the Colorado area seeks to receive equal treatment with the Phoenix, Ariz., area and at the Clovis, N. Mex. area, with

reference to a permanent reporting service.

The purpose of the appropriation would be to provide for the reporting of cattle sales on the range and in feedlots which would tend to stabilize livestock marketing conditions. In a sense, the stability of livestock marketing conditions will improve general economic conditions; and revenues to be received will increase many times over if the market is stabilized.

Does the Senator from Colorado agree with that statement?

Mr. ALLOTT. I agree with it completely. I thank my colleague, who has stated the situation very succinctly.

Mr. President, among other communications I have received is one from Ted Videen, the executive secretary of the Colorado Cattle Feeders Association, in which he says:

There is abundant evidence to show that the range and feedlot sales reports have worked to the best interests of all segments of the livestock industry in those areas where they have been issued for some years on a regular basis (these include, among others, areas around San Francisco, Calif.; Spokane, Wash.; and Amarillo, Tex.). A great deal of effort has been set forth in establishing these reports in the Denver area during the last 2 years, and we submit that it would be a loss to the livestock industry in this area to have them discontinued at this time.

The reason for this, as my colleague has just pointed out, is that only a few years ago all the sales, or the greater portion of the sales, passed through the livestock yards of the big centers, and it was very easy to get the prices for cattle and to know what the cattle would bring. Now the great majority of the sales are made on the open range, or in feed lots and other places, and only a service of this kind can give the information needed to stockmen and feeders so that they may go ahead with their business.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to my colleague.

Mr. CARROLL. I will say to my distinguished colleague, I discussed this matter only this afternoon with the distinguished senior Senator from Georgia.

I am amazed that it has taken a month and a half to have this matter brought to my attention. I heard of this problem for the first time yesterday in a telephone call from Colorado cattlemen and I was visited by a Colorado cattlemen's representative this afternoon. Actually the cattlemen presented the problem to the Senate Appropriations Committee on April 14, however that testimony was not available to me until a few days ago.

As the junior Senator from Colorado the importance of this program to my State was brought to my attention only yesterday afternoon and again at noon today.

I immediately talked to the distinguished senior Senator from Georgia.

At no time were the facts brought to my attention, until yesterday.

I understand that the senior Senator from Georgia made a determination, after conferring with other members of the committee. I went to the

Senator this afternoon, with telegrams received from the Cattlemen's Association of Colorado, and with information based upon the long-distance telephone call I had received yesterday from Colorado. The senior Senator from Georgia said, "You have come too late."

The question is, having been informed of this for the first time from any source yesterday, what can be done? I will say to the distinguished Senator from Georgia, this is very important to my State. There is involved only a small sum of \$26,000. That is all that is asked for. It would provide livestock market stability. It would help the economy of the Rocky Mountain area. It would result in more income tax revenues as a result of improved income to the stockmen.

I cannot find it in my heart to criticize the senior Senator from Georgia. This request was not brought to my attention so that I could have gone to the Senator from Georgia with the senior Senator from Colorado, moving in unison in the interest of our State.

I am critical of the cattlemen of Colorado for not coming to my office and speaking to me, so that I could represent them and confer with the senior Senator from Georgia. I think it is most unfortunate that I am placed in this position at this late hour. Here we are, at 6:30 o'clock in the evening, in the closing hours of debate on this important bill. If the Senator from Georgia can see fit, under the circumstances, to accept this amendment, his action will be greatly appreciated.

This amendment does not concern the 1958 O'Mahoney-Watkins meatpacker legislation at all. It concerns a different aspect of the marketing services appropriation. We ask for treatment similar to that already given Arizona and the northern part of New Mexico. No other part of the country but Colorado can qualify for this cattle sale reporting service. The marketing service appropriation has already been increased over the House figure by \$1,440,000. I ask the indulgence of the senior Senator from Georgia, notwithstanding the negligence of the Colorado cattlemen, and the manner in which they have treated one of their own Senators from Colorado. This item is of sufficient importance to the State of Colorado that if this amendment can be agreed to, it will be appreciated by Members who are not playing partisan politics in connection with this important measure.

Mr. ALLOTT. Mr. President, I have not had an opportunity to discuss this subject with my colleague from Colorado. Early in the spring, at a meeting of the Appropriations Committee, members of the American Cattlemen's Association were in Washington. There were four or five of them. I happened to be present at that meeting of the committee. The Senator from Arizona [Mr. HAYDEN] made a place for those witnesses, in the midst of another hearing, and took testimony from them about the necessity for this item.

That is all I have heard from them, except for the letters and telegrams which I have received within the past few days.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. ALLOTT. I shall be glad to yield in a moment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks various telegrams and letters which I have received during the past few days on this subject.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

DENVER, COLO., June 2, 1959.

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D.C.:

Due to volume of livestock being sold on direct basis, there is certainly a need to continue the reporting service of direct range and feed lot sales. We strongly support the Colorado Cattle Feeders Association in their request that this service be continued.

Respectfully,

DAVID G. RICE, Jr.,
Executive Secretary, Colorado Cattle-
men's Association.

DENVER, COLO., June 1, 1959.

Hon. GORDON ALLOTT,
U.S. Senate,
Senate Office Building,
Washington, D.C.:

This association supports and its members are in need of information reported by USDA. Direct range and feedlot sales of livestock report request all possible assistance to secure necessary appropriation for continuance this needed activity.

Respectfully,

ROBERT FIELD,
Executive Secretary, Colorado Wool
Growers Association.

DENVER, COLO., June 2, 1959.

The Honorable GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: Your efforts in the favoring of appropriations for USDA market livestock reporting in Colorado will be appreciated. This reporting of direct sales has been a great service to the agricultural industry of this area.

Thank you,

ALBERT J. DINNER.

COLORADO CATTLE
FEEDERS ASSOCIATION,
Denver, Colo., May 30, 1959.

Hon. GORDON ALLOTT,
U.S. Senator,
Washington, D.C.

DEAR SENATOR ALLOTT: I am taking the liberty of furnishing to you the following information on a matter concerning the livestock industry in this State, in order that you might better understand some messages concerning it, which I believe you will be receiving in the next few days.

Since July 1957, the Livestock Division, USDA, in cooperation with the Marketing Research Division, Agricultural Marketing Service, USDA, has been reporting the direct sales of livestock at ranches and feedlots in Colorado, southern Wyoming, western Kansas, and Nebraska, and a section of New Mexico. This activity, which is commonly referred to as "area reporting of direct sales," issues a weekly Range and Feedlot Sales Report, giving a résumé of the direct sales activity.

The reporting referred to above has been carried on in Denver as an experimental project, under a 2-year appropriation which will expire on June 30, 1959. It has been the hope of this association that the reports might be continued and funds to finance such reporting (approximately \$25,-

000) be made a part of the regular appropriation of the Department of Agriculture. This desire has been made known to the respective chairmen of the Subcommittees on Agricultural Appropriations of both the House and Senate, by letter, and by personal representation on the part of this writer to Representative Whitten. This has been supported by statements presented in writing, and by personal appearance before the committees by representatives of the American National Cattlemen's Association, which concurs with the Colorado Cattle Feeders Association in wishing to see this work continued. Representative Byron L. Johnson, of the Second District, has been aware of our interest in this matter, and has been most helpful to us.

However, we understand the House Subcommittee on Agricultural Appropriations did not recommend the inclusion of this activity in its report, and we are therefore asking your help to see if some action cannot be taken to secure the insertion of these funds by amendment in the House, if such amendments are permitted, or, failing that, if it might be inserted in the Senate recommendations.

I am sure that any examination of sales figures will show that the direct selling of livestock in this area at the ranch or feedlot has increased greatly in the past few years. There is abundant evidence to show that the "Range and Feedlot Sales Reports" have worked to the best interests of all segments of the livestock industry in those areas where they have been issued for some years on a regular basis (these include, among others, areas around San Francisco, Calif.; Spokane, Wash.; and Amarillo, Tex.). A great deal of effort has been put forth in establishing these reports in the Denver area during the last 2 years, and we submit that it would be a loss to the livestock industry in this area to have them discontinued at this time.

We will appreciate any efforts which you gentlemen can make for us in this matter.

Very truly yours,

TED VIDEEN,
Executive Secretary.

THE DENVER UNION STOCKYARD CO.,
Denver, Colo., June 1, 1959.

The Honorable GORDON ALLOTT,
Senator from Colorado,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR: I am writing this letter on behalf of the American Stockyards Association, as the chairman of its board, and thus speaking for its membership, as well as president of the Denver & Ogden Stockyards and our subsidiary companies.

Information we receive from Washington indicates that the House has passed the Agricultural appropriation bill, and that it has been reported out of the appropriate Senate committee to the full Senate. We are quite concerned with that section of the bill having to do with an additional appropriation for enforcement of the amended Packers and Stockyards Act. We understand that the original request for complete enforcement of the amended act, under titles II and III thereof, together with posting of those remaining unposted markets, was for \$493,000, of which \$283,000 was scheduled for expanded enforcement of titles II and III, and the remaining for posting and supervising posted stockyards. As reported out of the House and of the Senate committee we understand only \$250,000 has been recommended, but with the restriction that such funds go to the sole use of the Department for additional posting and supervision of posted markets, and with no recommendation for funds for expanded enforcement of the act against country dealing violators or packers.

If this is true it seems to us that the intent of Congress is not going to be car-

ried out as to the enforcement of the amended act insofar as country operations of dealers and agencies are concerned, under title III or to expanded jurisdiction over packer practices under title II and, to many, these were the most important phases of the amended act. Not to rigidly enforce them will be a bad thing for the industry as a whole.

Our observations would indicate that those auction markets not now posted could quite readily be posted with present personnel even though it might take a little longer so to do; and that without much additional in the way of increased appropriations. However, the complete enforcement of the amended act in connection with those posted yards, and those packers, dealers, and agencies, intended by Congress to be registered under the amended act, would be entirely neglected under the House and Senate committee restrictions on this appropriation to use it only for posting and enforcement of posted yards.

We would appreciate it greatly if you would examine this when it comes before the Senate, and if our interpretation of House and Senate committee action is correct, we would strongly urge that the Senate amend the bill to provide for complete enforcement of titles II and III of the act, and not solely for posting and supervising presently unposted markets. But, if a lesser appropriation than \$493,000 is made, its use certainly should not be restricted to the mere posting of additional markets and supervision over posted markets only.

Sincerely,

W. C. CREW,
President and General Manager, Chair-
man of the Board, American Stock-
yards Association.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to my colleague.

Mr. CARROLL. Let me say to the distinguished Senator from Georgia, who is in charge of the bill, that for the first time today a representative of the American Cattlemen's Association came to my office. I said to him, "Have you conferred with the senior Senator from Colorado?" His first answer was, "No," and then he reconsidered and said, "Yes."

I did not know that there had been previous contact with the senior Senator from Georgia on this subject until late this afternoon, when I conferred with him.

This situation emphasizes the need for cooperation in the State of Colorado. Not all cattlemen are Republicans. This is not a partisan issue. This is a matter requiring cooperation within the State. For the first time this afternoon I learned that this approach had been made.

Notwithstanding all these mistakes, let me say to the Senator from Georgia that this item is important to the cattle industry in Colorado. It is important to the economy of our State and to the economy of the Nation, because far more in tax revenue would be produced than would be involved in the granting of this small sum for such very laudable purposes.

Mr. ALLOTT. Mr. President, I am not sure whether my colleague is attempting to chastise me or not. I wish to make the RECORD perfectly clear.

I have always found cooperation to be a two-way street. I talked with representatives of the association late yester-

day afternoon. The Senator from Georgia [Mr. RUSSELL] will bear me out when I say that I came immediately to the floor of the Senate and discussed the subject with him.

Mr. RUSSELL. Mr. President, will the Senator yield to me for a brief statement?

Mr. ALLOTT. I yield.

Mr. RUSSELL. The Senator from Georgia seems to be in the middle and is receiving considerable pressure from both sides.

The senior Senator from Colorado came to me yesterday afternoon and asked me to accept an amendment adding \$26,000 to the bill for the purpose referred to. I told the distinguished Senator that I would very much like to help him. My instinct is to approve all such amendments, so far as possible. Unfortunately this was one of a number of amendments having to do with marketing service reports, and I could not accept this amendment without accepting the others. That is as I remember my statement to the senior Senator from Colorado.

Mr. ALLOTT. The Senator is absolutely correct.

Mr. RUSSELL. Today the junior Senator from Colorado [Mr. CARROLL] came to me and urged me to accept this amendment. He said it involved only a small item. I said to him, "I should like very much to accept it, but I have already had to tell your colleague that I could not accept it because there were other items of a similar nature."

The Senator from Nebraska [Mr. CURTIS] asked a question about the O'Mahoney amendment. Although all these items are embraced in one appropriation for the marketing service, there is no connection between them out in the field. One had to do with the investigation of practices of packers, and this has to do with the furnishing of reports on range and feedlot sales.

If there is any one thing in the bill which has caused confusion through the years, it has been the variety of amendments which have been offered on this subject. Some have been accepted and some have been rejected. Those amendments provided for marketing service in various areas and in different communities.

Some years ago the situation became so bad that we asked the Department of Agriculture to establish a policy with respect to this subject. It did so. It provided a definition for projects coming within category 1, category 2, and category 3. Of course, category 1 had priority, including the appropriation needed.

The project to which one of the Senators from Colorado referred was said to be similar to a project in northern Texas and New Mexico.

Mr. ALLOTT. Yes. I have released the letter on the subject.

Mr. RUSSELL. That project was placed in category 1, and was included in the bill last year after it had been placed in category 1, by the Department. The project urged by the two Senators from Colorado has not been assigned any category, so far as I am ad-

vised. I know that it has not yet been classified as category 1.

I could not accept this amendment without having to accept others of similar character, having to do with marketing reports in various areas. If the Senators from Colorado will go to the Department and have a category assigned to this activity, which they say is so important to the economy of the farmers and ranchers of Colorado, I am sure that before another year we will be able to arrive at an arrangement to take care of the situation.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am glad to yield, if the Senator from Georgia has concluded.

Mr. RUSSELL. I have concluded. I regret to say that I cannot accept the amendment.

Mr. ALLOTT. I yield to my colleague.

Mr. CARROLL. Mr. President, I had no thought of attempting to chastise the senior Senator from Colorado. He, too, is moved by the requests of constituents in Colorado. What I am trying to say to our constituents in Colorado is that they have not one Senator, but two Senators; and those two Senators must work together.

For more than 45 days I had not known of this issue, until yesterday, when I learned of it by telephone, and today, when I received telegrams and a visit to my office by a representative of the Cattleman's Association.

I came in upon the heels of the senior Senator from Colorado, after the amendment had been rejected by the distinguished Senator from Georgia. That makes my job very difficult. Let me say to the distinguished Senator from Georgia that my information today from the Department of Agriculture is that the Colorado livestock market is in category 1.

On the other hand, to absolve the committee from any charge of a lack of proper treatment of Colorado, the Department of Agriculture could have asked for an appropriation of this amount of money, but it did not do so. The Bureau of the Budget apparently restrained them. All we are asking for is for equal treatment with Arizona and New Mexico. I forget on which page of the hearings it appears, but I noted that Arizona and the northern part of New Mexico are included in this kind of reporting of sales of cattle.

I wish to say to the senior Senator from Colorado that I do not attribute any of this fault to him. To the people in Colorado who want this I have said, "You cattlemen are making money. Why don't you pay for this yourself?" They answered me in this way, and I think there is some logic to what they say: "This is a function that only Government can perform. We need reports from an objective source that buyers and sellers will trust and believe in, and thus stabilize market sales."

Only a small amount of money is involved, and I regret that there has been this confusion.

The senior Senator from Colorado and I are always trying to work together on

matters of a nonpartisan nature, in the interest of our State.

I ask the senior Senator from Georgia to reconsider his refusal in the light of my recent statement. If I am correct that the Colorado market is in category 1, I ask him to reconsider his decision. I received that information this afternoon.

I should also like to say to the senior Senator from Georgia one more thing. If he adds \$26,000 and then takes the matter to conference and then determines that my information on the category is incorrect, he can cut out the item, and I will support the senior Senator from Georgia in that regard.

Mr. RUSSELL. The matter is not quite so simple as that. There is a similar item which has to do with exactly the same kind of market news work which has been proposed for Oklahoma, Louisiana, western Arkansas, and northeast Texas. Much as I should like to accede to any request of the Senators from Colorado, I cannot in good conscience accept their proposal even under these circumstances, without accepting the others.

Mr. CARROLL. We are not talking about a cattle-on-feed report. We are talking about sales of range cattle. My information from the Department of Agriculture this afternoon is that the Colorado market is included in category 1. If I am wrong I will agree to withdraw the statement. That is our information coming from the Department of Agriculture. My information from the Department is that this is the only such new project in the whole West. I have checked with the department, and that is the information I have received.

Mr. RUSSELL. I have before me the testimony of the Department which shows that this started out as a research project.

Mr. CARROLL. I agree with the Senator on that.

Mr. RUSSELL. It shows that the research project has gone on for 2 years. The Department has so testified. I read from a part of the testimony given by Mr. Lennartson, which appears at page 106 of the hearings:

We feel that insofar as the research phase is concerned it has been completed. It has not been included as a regular service item in view of the budgetary considerations in the 1960 budget. There is little question but that it has developed into a very popular and very worthwhile type of service.

Nowhere does the Department say that this is essential and that it will contribute materially to the betterment of the income of ranchers in that area. Therefore, I cannot accept the amendment under those circumstances.

If the Senators wish to carry it over until tomorrow, I shall be glad to look further into it and get further information as to the similarity between this and other amendments. Much as the Senator from Georgia would like to do it, he cannot accept the amendment under pressure, when he has declined to accept amendments from other Senators who are interested in marketing reports.

Mr. CARROLL. That is a perfectly reasonable request on the part of the

Senator from Georgia. I assume that we will not be precluded from offering such amendment, if the Senate were to recess now.

Mr. RUSSELL. If the Senate were to recess now, I could look further into it, if the Senators from Colorado wish to carry the matter over until tomorrow.

Mr. CARROLL. That is a perfectly fair request. I am sure that our information is correct.

Mr. RUSSELL. I do not say that I would accept the amendment even if the proposed project were placed in category 1, by the Department.

Mr. CARROLL. I understand. The distinguished Senator from Georgia would consider it, I assume, without committing himself on it this evening.

Mr. RUSSELL. I try to be reasonable, although sometimes it may appear that I am unreasonable.

Mr. CARROLL. I am sure the Senator is always reasonable. Therefore, I ask my colleague if under the circumstances we cannot hold the amendment until tomorrow.

Mr. ALLOTT. Mr. President, I should like to propound a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. We have now entered into a unanimous consent agreement beginning tomorrow morning. As the parliamentary situation stands, I understand I do not have a right to offer the amendment without a motion which is now pending to reconsider the vote by which the O'Mahoney amendment was adopted. If we put this matter over until tomorrow morning, would the various amendments take precedence over my motion, or could the motion be called up tomorrow at the conclusion of the morning hour?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the Senator's motion would be the pending question if the amendment is not acted on.

Mr. ALLOTT. Would it be subject to the limitation of debate to which the other amendments would be subject?

The PRESIDING OFFICER. When the bill is taken up, the Senator's motion would be subject to the limitation provided.

Mr. ALLOTT. Is that satisfactory to my colleague?

Mr. RUSSELL. I am perfectly willing to have it go over. I am advised that at least one of the other projects which I declined to take to conference is in category 1. However, even if it is in category 1, I do not know whether I will be in a position to accept it. I am willing to have it go over until tomorrow to see what another day will bring.

Mr. ALLOTT. I thank the Senator.

Mr. MORSE. Mr. President, I wish to thank the members of the Appropriations Committee, and especially the very able and distinguished Senator from Georgia [Mr. RUSSELL] for the sympathetic consideration given the need of cane and bush berry producers for crop reporting and estimation services.

Although the measure as reported did not carry the \$125,000 amount many of

us had asked for, the language of the committee report found upon page 7 does state:

The committee has been presented with testimony regarding the need for crop estimating and reporting work on cane berries, bush berries, and other small fruit crops. The Department is requested to examine this carefully with a view to making a start on this work within the total amount provided.

This language of the committee should be a most persuasive indication to the Department of the interest shown in this worthy project. I trust that the Department will proceed quickly to review the testimony and then to lay plans accordingly in order that a start can be made in the near future toward providing the necessary service.

In expressing my appreciation to the Senator from Georgia for the great work he has done and the assistance he has been to those of us who have asked him for an appropriation on this subject, I should like to ask him this question:

Does the Senator from Georgia agree with me that, given the language cited from the report, a start can be made upon this project, and that additional funds can be sought in the future to carry on the full program?

Mr. RUSSELL. There is no doubt in my mind that the Department, particularly in view of this expression in the committee report, has ample authority to prepare crop estimates and reporting work on cane berries and bush berries and on other small fruit crops which are included in this item.

I hope the two Senators from Colorado will pay particular heed to the fact that this item was vigorously supported by the distinguished Senator from Oregon [Mr. MORSE] and his colleague, from Oregon [Mr. NEUBERGER], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Pennsylvania [Mr. CLARK], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wisconsin [Mr. PROXMIER], and the Senator from Minnesota [Mr. MCCARTHY]. For that reason the committee inserted this statement in the report. There is no reason why the Department cannot start some estimating. It would have to come up again on its merits for budget estimates in subsequent years.

Mr. MORSE. Mr. President, I wish to pay tribute to the Senators mentioned by the Senator from Georgia, who have joined with me in urging upon the committee favorable action with respect to providing this segment of agriculture with the same service as is provided other producers.

Mr. President, I ask unanimous consent that there be included in the RECORD at the conclusion of my remarks a series of letters and statements pertaining to this program which will permit my Oregon constituents to know of the interest these good friends have taken in this project.

There being no objection, the letters and statements were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON LABOR
AND PUBLIC WELFARE,
Washington, D.C., April 9, 1959.

Hon. WAYNE MORSE,
U.S. Senate, Washington, D.C.

MY DEAR WAYNE: I have your letter of April 8, with enclosure, about the need for funds to enable the Agricultural Marketing Service to provide crop reports on cane and bushberry production. I know how much it would mean to our berry producers to have adequate information upon which to plan their crops intelligently.

I will be glad to make known to Senator RUSSELL, who is chairman of the subcommittee which handles the Agriculture Appropriation bill, and to my other colleagues on the Senate Appropriations Committee my interest in seeing the funds provided. Rest assured of my support in the matter and let me thank you again for your helpful letter and enclosure.

With kindest regards, I am,
Very sincerely,

LISTER HILL.

U.S. SENATE,
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
Washington, D.C., April 30, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Your letter of April 8 was awaiting me upon my return from Texas after the Easter recess.

I have read with close attention what you say about the necessity for an appropriation of \$125,000 annually to correct inadequacies in the present setup in the Agricultural Marketing Service of the USDA.

I shall certainly follow through on your suggestion.

Sincerely,

RALPH W. YARBOROUGH.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
April 20, 1959.

Hon. WAYNE MORSE,
U.S. Senator,
Washington, D.C.

DEAR SENATOR: Thank you for your recent communication and enclosed information dealing with cane and bushberry production. I shall be pleased to check into the proposed appropriation for the issuance of necessary reports on these crops with the Committee on Appropriations.

Very sincerely yours,

KENNETH B. KEATING.

U.S. SENATE,
COMMITTEE ON BANKING AND CURRENCY,
April 27, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR WAYNE: Thank you for your recent letter calling my attention to the possibility of an expansion within the Agricultural Marketing Service of crop-reporting services, which would be helpful to those interested in cane and bushberry production.

Our immediate problem in Maine is to try to have established, a crop-reporting office since there is only one office for all of New England located in Boston.

Sincerely,

EDMUND S. MUSKIE.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
April 10, 1959.

Hon. WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR WAYNE: Thank you for your letter of April 8 regarding additional appropriations for the Department of Agriculture to

use in giving more complete plans on the production of certain types of berries.

I shall be glad to speak to members of the Appropriations Committee in support of your recommendation.

With kind regards, I am,
Sincerely,

JOHN SPARKMAN.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
April 14, 1959.

Hon. WAYNE MORSE,
U.S. Senator, Washington, D.C.

DEAR WAYNE: I have your letter, with enclosures, and shall be glad to support the request of an estimated \$125,000 per year to provide cost of providing crop reports on eight small fruits for the 17 principal producing States.

Sincerely yours,

SAM J. ERVIN, Jr.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
April 13, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR WAYNE: I have your letter of April 8 regarding a proposed appropriation of \$125,000 for fiscal year 1960 for the purpose of providing cane and bushberry producers with adequate reporting information on which to plan the production of these crops.

When the Department of Agriculture appropriation bill for 1960 comes before the Senate Appropriations Committee, I will be very happy to do what I can to provide the funds you have recommended for the Agricultural Marketing Service.

I wish to thank you for bringing this to my attention.

Sincerely yours,

THOMAS H. KUCHEL,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
April 11, 1959.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR WAYNE: Thank you for your letter of April 8 with enclosures from the Department of Agriculture regarding expansion of the program of the Agricultural Marketing Service to include crop-reporting services for cane and bushberry production.

I appreciate your bringing this matter to my attention, and I will look into the possibility of the expansion when the fiscal 1960 budget for the Agricultural Marketing Service is before the full Appropriations Committee for consideration.

Best regards.

Sincerely,

LEVERETT SALTONSTALL,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
April 10, 1959.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR WAYNE: Thank you for your letter of April 8, with the information on the \$125,000 annual appropriation needed to provide estimates of acreage, production forecast, and final report on cane and bushberry production.

I will be glad to join in any communication which you may address to the Committee on Appropriations, urging inclusion of these funds in the agriculture appropriations bill for fiscal 1960. I intend to appear personally on a number of items, but probably it would be better if several of us make

a joint representation on this one, so we won't go to the well too often.

With best personal regards.

Sincerely yours,

CLAIR ENGLE,
U.S. Senator.

STATEMENT OF HON. FRANK E. MOSS, A U.S. SENATOR FROM THE STATE OF UTAH
BERRY CROP REPORTS

While I am here I would like also to mention the great assistance berry producers in my State would get from the regular receipt of crop reports. I understand that currently crop reports are provided only for the strawberry and cranberry industries, and that producers of eight other small berries, including blackberries, dewberries, boysenberries, loganberries, raspberries, youngberries, blueberries, currants, and gooseberries, do not have this service. I am told unofficially by the Department of Agriculture that it would be possible to provide three reports each year for each crop—an acreage estimate, a production forecast, and a final report—for a total annual appropriation of \$125,000.

My colleague from Oregon, Senator MORSE, is taking the lead in proposing that \$125,000 be written into the agriculture appropriation bill for this purpose, and I wish to support him in this request. Utah is a heavy berry producing State.

Thanks for your time and consideration.

Thank you, Senator RUSSELL.

Senator RUSSELL. Thank you, Senator MOSS. We appreciate your appearance.

STATEMENT BY SENATORS WARREN G. MAGNUSON AND HENRY M. JACKSON, OF WASHINGTON
EXPANSION OF CROP REPORTING SERVICE FOR BERRY PRODUCERS

While an additional \$125,000 to expand the crop reporting service available to our Pacific Northwest berry producers may seem a small item, it certainly is an item of extreme importance to this industry. Talking with Senator WAYNE MORSE, we are assured that berry producers in Oregon need this information as badly as do the Washington growers.

Cane and bush berry production is a significant crop in both States.

An expansion of the Agricultural Marketing Service, currently provided for only strawberries and cranberries, would result in berry growers receiving an estimate of acreage production forecast, and final report regarding each crop annually.

Acting Secretary True D. Morse, of the Department of Agriculture, advised on April 3 that "the cost of providing crop reports on 8 small fruits for the 17 principal producing States is estimated at \$125,000."

The eight small fruits would include five cane berries, blackberries and dewberries, boysenberries, loganberries, raspberries, and youngberries; and three bush berries, blueberries, currants, and gooseberries.

Value of these crops nationally was \$28,484,000 as shown by the 1954 agricultural census. Washington production accounted for \$3,575,000 of this total, and Oregon \$4,491,000.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
April 22, 1959.

Hon. RICHARD B. RUSSELL,
Chairman, Agriculture Subcommittee,
Committee on Appropriations,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RUSSELL: Attached are statements which we have prepared in support of fiscal 1960 appropriations for (1) Federal meat inspection, (2) the school lunch program, (3) the special milk pro-

gram, (4) plant and animal disease and pest control and (5) for expanding the crop-reporting service of the Department of Agriculture.

I would appreciate it very much if these statements could be incorporated in the record of your subcommittee's hearings on appropriations for the Department of Agriculture.

Kindest personal regards.

Sincerely yours,

HUBERT H. HUMPHREY,
EUGENE J. MCCARTHY.

STATEMENT OF SENATOR HUBERT H. HUMPHREY AND SENATOR EUGENE J. MCCARTHY
APPROPRIATIONS FOR EXPANDING CROP-REPORTING SERVICE OF USDA

Mr. Chairman, according to a statistical table developed by the U.S. Department of Agriculture and based on data prepared by the U.S. Census Bureau in 1954, the State of Minnesota is one of the 17 largest small-fruit-producing States in the country. The eight small fruits considered in this report are blackberries, dewberries, boysenberries, loganberries, raspberries, and youngberries, all of the cane-berry variety, and blueberries, currants, and gooseberries of the bush-berry group. Minnesota ranked No. 8 among the 17 States in the harvesting of raspberries for sale.

The 17 largest small-fruit-producing States are Minnesota, Maine, Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Michigan, Wisconsin, North Carolina, Alabama, Arkansas, Texas, Utah, Washington, Oregon, and California.

The small fruit producers in these States need adequate information concerning small fruit crops in order to make intelligent plans for production. Such information is prepared for strawberry and cranberry producers by the crop-reporting service of the Department of Agriculture's Agricultural Marketing Service. However, no such information is prepared for the producers of the eight small fruits mentioned above.

Each year the crop-reporting service prepares an acreage estimate, a production forecast, and a final report at the end of the season for strawberry and cranberry producers. This information has been very helpful to producers of these two small fruits.

Mr. Chairman, producers of the other eight small fruits need and want similar information concerning their crops.

Therefore, we strongly urge the Committee on Appropriations to favorably report an appropriation of \$125,000 each year, beginning with the coming fiscal year, to permit the Department of Agriculture to expand its crop-reporting service so it can prepare three reports each year on these eight small fruits.

Because the Department of Agriculture already has sufficient authority to make proposed estimates of acreage, production forecasts, and final reports, no substantive legislation is needed.

U.S. SENATE,
COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
April 30, 1959.

Hon. RICHARD B. RUSSELL,
Chairman, Subcommittee on Agriculture,
Committee on Appropriations,
U.S. Senate.

DEAR MR. CHAIRMAN: I desire to express my concurrence with Senator WAYNE MORSE's statement of April 20 before the Subcommittee on Agriculture, regarding an addition of \$125,000 to the appropriation for the Agricultural Marketing Service in fiscal year 1960 for the provision of crop-reporting services to cane and bush berry producers.

Pennsylvania's secretary of agriculture, W. L. Henning, has written me as follows:

"First, the 5-year census of agriculture really does not give us all the information we need about such minor crops, and Senator MORSE's proposals would help to correct this situation. Secondly, the same crop-reporting services that are being requested are actually being performed for vegetable crops such as celery, lettuce, and spring spinach, each of which has a lower cash value to Pennsylvania than do these berries. Thirdly, as you well know, our Pennsylvania

agriculture is highly diversified and it is such cash crops as these berries which stabilize Pennsylvania agriculture and help our farmers maintain a reasonable income."

I am attaching excerpts from the 1949-54 census of agriculture covering the production of these berries in Pennsylvania.

Thank you for giving this statement your consideration.

Sincerely,

JOSEPH S. CLARK.

	Blue-berries, 1954	Bush- berry, 1949	Rasp- berries, 1954	Cane berry, 1949	Other berries, 1954	Other berries, ¹ 1949
Number of farms reporting.....	92	-----	1,652	2,048	-----	-----
Acres reported.....	107	-----	924	969	67	245
Quarts produced.....	47,722	-----	635,414	703,913	-----	-----
Value of produce.....	\$19,088	-----	\$266,873	\$262,375	\$33,685	\$56,032

¹ Represents black, dew, boysen, logan, goose, young berries.

U.S. SENATE,
COMMITTEE ON FINANCE,
April 23, 1959.

HON. CARL HAYDEN,
Chairman, Committee on Appropriations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: At the present time, crop-reporting service within the Agricultural Marketing Service of the USDA is provided only for strawberries and cranberries.

The cost of providing crop reports on eight small fruits for the 17 principal producing States is estimated at \$125,000 per year.

In order that our berry producers may have adequate information upon which to plan their production of these important crops intelligently, I urge the committee's consideration of this appropriation.

Sincerely yours,

EUGENE J. MCCARTHY.

LETTERS AND STATEMENTS SUPPORTING EXTENSION AND EXPANSION OF CROP AND LIVESTOCK REPORTING SERVICE

Senator RUSSELL. I have a statement here from Senator MORSE, of Oregon, plus six letters sent by or to Senator MORSE and several resolutions by the Northwest Berry Association; a letter from Senator LAUSCHE addressed to Senator HAYDEN as chairman of the Appropriations Committee, dated April 14, 1959; a letter from Senator NEUBERGER to myself as chairman of this subcommittee, dated April 13, 1959, and my reply dated April 14, 1959; and a letter from Senator PROXMIER addressed to me as chairman of this subcommittee, dated April 14, 1959, and my reply dated April 15, 1959, all pertaining to this subject and all of which will be placed in the RECORD at this point.

(The letters referred to follow:)

"STATEMENT OF SENATOR WAYNE MORSE

"Mr. Chairman, I am very pleased to present to the subcommittee this statement in behalf of the addition of \$125,000 to the appropriation for the Agricultural Marketing Service in fiscal year 1960 for the provision of crop reporting services to cane and bushberry producers.

"There is a continuing and growing need for the three reports a year which would be made available if the funds are provided. The reports would include an acreage estimate, a production forecast, and a final report, which would be of great value to the farmers of the 17 States whose production in 1954 accounted for 95 percent of the crops.

"The tables I submit to the subcommittee set forth basic statistical data on crops and give the number of growers who would be benefited by the proposed action. These tables were prepared by the U.S. Department of Agriculture at my request. I ask the consent of the subcommittee that, together with copies of pertinent correspondence with the Department, these tables be printed in

the hearing record at the conclusion of my statement.

"In order that the subcommittee may appreciate the importance of the desired reporting service to the producers of my State I should like to quote from a letter received from Mr. Robert L. Conroy of the Conroy Packing Co., Woodburn, Ore. In a letter dated March 13, he said, in part:

"Hon. WAYNE MORSE,

"Hon. RICHARD L. NEUBERGER,

"Senate Office Building, Washington, D.C.

"GENTLEMEN: You will recall a recent letter from Paul T. Rowell of the Oregon Department of Agriculture in regard to Agricultural Marketing Service crop reporting on caneberries.

"I would like to emphasize again the serious need for such crop reporting and forecasting among our hundreds of caneberry producing farms in Oregon. It is extremely difficult for the growers and processing firms to properly market this fruit without adequate knowledge of the crop or acreage both in this State and in competing States such as Michigan and New York.

"The market on these canefruits has been characterized by extreme ranges of price from highs of 15 cents per pound to lows of 5 cents per pound. And when you realize that production costs and costs of the finished product to the consumer are quite stable, you can see what these wild fluctuations are doing to grower and processors. It results in lack of confidence all along the line.

"It is my personal feeling that if we had proper crop reporting and forecasting developed by the Agricultural Marketing Service, we would see the above price fluctuations modify to a workable 9- to 12-cent level which would reflect normal supply and demand and be within workable range.

"When you realize that this is a \$10 million industry here in Oregon which could become even greater with stable marketing, you can see its importance to the State's economy. Certainly we need new industry in Oregon but we also could do as much good by improving the industry we now have here and in operation.

"Please note, too, that this is in no way a price supported industry at huge cost to the taxpayer. We simply need some statistical work by the Agricultural Marketing Service at a fraction of the cost of the supported crops. We can do our own work but we need a bit of help on these marketing statistics or crop reporting."

"Again on March 27, in response to my request for additional information he wrote:

"Hon. WAYNE MORSE,

"U.S. Senator,

"Senate Office Building, Washington, D.C.

"DEAR SENATOR MORSE: Thank you kindly for your letter of March 19 in regard to obtaining an adequate crop reporting program

on caneberries with the Agricultural Marketing Service of the Department of Agriculture.

"I wish to provide some specific cases which will clearly show the need for such crop reporting.

"In 1957 the total crop of blackberries in the Northwest was 24 million pounds. This represented a fast buildup from the 1950-55 average of 15 million pounds. Frozen fruit processors, thinking that new plantings and other factors might increase the total to 30 million pounds or over in 1958, dropped the grower price from 8 to 5 cents in anticipation of a huge surplus. Many sales to eastern preservers were made on that basis before the actual pack was known. The actual pack turned out to be 21 million pounds and thus far below the early estimate. But when this was known, it was too late to raise the grower price because most final sales had been made. This represented a loss to the growers of a minimum of 1 to 2 cents a pound or \$210,000 to \$420,000.

"In 1957 the total crop of raspberries in the Northwest was 32 million pounds. Again there was a fast buildup from the 1950-55 average of 18 million pounds. Likewise the processors were cautious because further production of 35 million or more was expected in 1958. The actual grower price was 10 cents a pound, down from 16 cents the previous year. Many sales were made at the beginning of the season to eastern buyers. But the actual pack turned out to be 24 million, or far less than expected. This represented a grower loss of about 2 cents a pound or \$480,000.

"One very good reason for the processors being overly cautious was that in 1956, after a winter's freeze, processors estimated a blackberry pack of 8-9 million pounds for 1956. Accordingly, a 15-cent grower price was named up from 10 cents the previous year. The actual pack turned out to be 13 million, or far more than expected, and processors lost an average of 3 cents a pound, or about \$390,000 on this one fruit alone.

"Again in 1957, blackberry processors were expecting a normal crop of about 18 million pounds and set the grower price and sale price of finished products accordingly. An actual pack of 24 million pounds caused heavy losses before the extra 6 million were finally sold. A chaotic market resulted with some packers who sold early coming out all right but later ones suffering the full loss from depressed prices when the surplus became known. Even eastern preservers who bought early in good faith at the higher price were then faced with depressed jam and jelly prices at the chainstore level put out by preservers who waited and bought their raw product after western prices had declined about 3 cents a pound.

"These are examples of poorly managed marketing brought about by lack of good statistical crop reporting and forecasting. It is granted that good crop reporting will not solve all problems, but it will remove the wild variations in price levels which have troubled the caneberry industry for many years."

"Another application of crop reporting is the publication of acreage changes in a given fruit in different growing areas. For example, the 1950-55 average production of black raspberries in Oregon was 4.7 million pounds. This increased to 8.9 million in 1958. Perhaps the industry could have absorbed this increase but at the same time Michigan growers stepped up their acreage and production from an old average of 2 million pounds to a 1958 level of 7.6 million pounds. Thus the national crop of this one fruit had in a few years gone from 6.9 million to 16.5 million. Grower prices on black raspberries have fallen from a reasonable 22 cents a pound to the present 9 cents a pound. This is about 7 cents a pound below the actual cost of production or a nationwide loss to

those growers of \$1,155,000 on this one cane-berry crop.

"These huge losses are caused by overproduction with growers in Oregon planting heavy acreage, not knowing that Michigan growers were doing likewise. Michigan growers had no way of knowing the extent of our Oregon planting. It is obvious that, with proper knowledge brought about by crop reporting, growers in both States would have used more restraint in planting such a surplus. A similar tragedy exists among the gooseberry growers of Oregon who now receive 5 cents a pound for a fruit that was worth 12 cents a few years ago. Economists will quickly verify that they are now 3 cents below the cost of production.

"The sad part is that each grower put up \$150 per acre in planting such fruit and is reluctant to plow out such a good planting when it is a surplus commodity. Acreage reduction to normal again is slow and painful. Losses continue for 2 to 4 years. Good advance acreage and market knowledge would have avoided surplus planting before it happened.

"Some of these overplanting problems are resulting from growers having their acreage reduced on grains and other price-supported crops and then going blindly into caneberries which were formerly profitable but not any more.

"The above cases are taken from experience of industry members and can be quickly verified by the Department of Agriculture.

"All of the other fruits that have crop reporting, such as strawberries and cranberries, have shown relative stability over the past 10 years. Changes in the crop production picture bring about immediate small corrective changes to the grower price level. At present, crop reporting on strawberries indicates a 5-percent reduction in acreage nationwide. This tells the industry that a slightly firmer market is in prospect. A small improvement in the grower price level for this fruit will become evident in time to do some good. Processors will raise the grower price with confidence on strawberries in 1959. Even if a reduction in acreage on caneberries were guessed by industry, processors would raise prices very cautiously and slowly, perhaps too late to do any good, because they simply have no confidence in guesses, only good statistical crop reporting.

"Likewise, the preserve industry which uses large quantities of caneberries has very little confidence, because guesses have been so costly in the past. Bankers, too, would welcome crop reporting, because this would add stability to their loans to caneberry growers and packers.

"Good statistical crop reporting and forecasting by the Agricultural Marketing Service would be a valued investment that would return the cost about fivefold each year.

"Oregon raises raspberries, blackberries, boysenberries, loganberries, and related gooseberries. Washington has identical crops. California has boysenberries. Michigan has raspberries.

"Your help in promoting crop reporting for our industry is sincerely appreciated by all of its members. Any information that you wish will be gladly provided."

"I should like in this connection to pay tribute to Paul T. Rowell, chief of the division of market development of the Oregon State Department of Agriculture, who has been working closely with me on this matter, as evidenced by his letter, dated March 16, which I shall appreciate having made a part of the record at the conclusion of my statement. Mr. Rowell's words speak more persuasively than mine.

"I have canvassed this matter with the Senators from the 17 States most affected by the proposal. In letters similar to the one addressed to my colleague on April 8, 1959, I presented them with the information obtained from the U.S. Department of Agri-

culture and asked them to make their views known to the subcommittee. I am very pleased to be able to report that I have received support from a large number of those to whom I had written. The record will show conclusively that there is solid backing for the proposal which is a bipartisan one and which affects all sections of the Nation.

"I conclude with bringing to the attention of the subcommittee a resolution signed by 52 growers who are members of the Northwest Berry Association. This resolution strongly supports the appropriation for cane-berry crop reporting services. I ask that it be printed in the hearing record at the conclusion of my statement.

"Thank you for the opportunity to present this request for the modest sum necessary to achieve a service urgently needed and greatly desired by the tens of thousands of farmers who grow these crops. I sincerely hope you will recommend the appropriation of \$125,000 requested for this worthwhile purpose and that you will be able to retain it in conference."

"STATE OF OREGON,
"DEPARTMENT OF AGRICULTURE,
"Salem, February 16, 1959.

"Hon. WAYNE MORSE,
"Hon. RICHARD L. NEUBERGER,
"Senate Office Building, Washington, D.C.

"GENTLEMEN: You will recall that last spring you joined in a request to Senator RICHARD B. RUSSELL, chairman of the Senate Agriculture Appropriations Subcommittee, urging that the subcommittee approve inclusion of appropriations for Agricultural Marketing Service crop reporting on caneberries. This would cover 8 crops in 17 States and would provide 3 reports: One for acreage, a crop forecast, and a final report, at a cost estimated by the USDA at around \$125,000 per year.

"In the meantime caneberry industry factors and others interested in Oregon and Washington have indicated the need for information on acreage and production estimates for a number of varieties of berries that are not now included in the USDA reports. The Northwest Cannery & Freezers Association last April mailed a questionnaire to their berry processor members, with a response that was surprising even to its officers. Executive Vice President Cecil R. Tulley reported that a total of 24 firms in Oregon and Washington responded to the questionnaire and all of them except one favored the addition of acreage and production estimate reports by the crop reporting service on the berries they pack, including red raspberries, blackberries, boysenberries, black raspberries, loganberries, and gooseberries, with not all handling all of these kinds.

"At the annual meeting of the USDA Deciduous Fruit and Tree Nut Research and Marketing Advisory Committee, its Chairman, Dr. J. Harold Clarke, of Long Beach, Wash., and its member, Mr. Ralph E. Dugdale, of Cornelius, Oreg., made strong presentations explaining the need for caneberry acreage and crop estimates. Mr. Reginald Royston, head of the Division of Fruit and Vegetable Statistics of the Agricultural Marketing Service, stated that the lack of a cane-berry program was a big gap in their crop reporting service.

"The need for a caneberry crop reporting service was graphically illustrated during the 1958 season. With heavy carryover stocks, market prices to processors and by them to growers were very low until after the crops were harvested and processed. Even though 1958 production was reduced sufficiently to justify better prices, it was impossible to convince eastern wholesalers of this until it was borne out by final storage figures after harvest. As a result many producers and processors who had to sell during the harvest season were forced to take lower prices than were available later on.

"Another illustration is in the lack of reliable acreage information, particularly between areas in different parts of the country. As an example, substantial planting of black raspberries were made in the Willamette Valley during the past few years without proper knowledge of heavy plantings also in the Michigan area. This resulted last year in low market prices which might have been largely avoided through lesser plantings with the benefit of up to date acreage data developed through an adequate acreage reporting service.

"With most of the members of the USDA Fruit and Tree Nut Research and Marketing Advisory Committee having primary interests in such broad and important proposals as increasing market news reporting of truck receipts, annual tree fruit and nut acreage estimates, objective methods of estimating production, etc., and with Chairman Clarke the only member on the 15-man committee directly interested in small fruits, it is not surprising that the committee members as a whole gave highest priority to the proposals which seemed most important to their phases of the fruit and tree nut industry. Thus, small fruit production was left in its No. 7 priority rating as the committee listed this item last year.

"While the advisory committee rating may not reflect it, there is no question that all of its members now realize the need for an adequate crop reporting service and should at least be sympathetic toward any efforts or action by the Congress in its behalf. Your continued efforts on this important matter will be deeply appreciated by and in behalf of our Willamette Valley producers, processors, and the labor affected, particularly the many schoolchildren and others thus employed during the summer months.

"Sincerely yours,
"PAUL T. ROWELL,
"Chief, Division of Market Development."

"FEBRUARY 19, 1959.
"Hon. EZRA T. BENSON,
"Secretary of Agriculture,
"Washington, D.C.

"DEAR MR. SECRETARY: You will recall that in the 85th Congress I urged that the Department of Agriculture, through the Agricultural Marketing Service, give careful attention to the possibility of including within the scope of operations of that agency reporting services for caneberries.

"A recent letter from Mr. Paul T. Rowell, chief of division of market development, State of Oregon Department of Agriculture, was of great interest to me and, since it bears upon the problem, I am enclosing a copy of it for your information.

"I would appreciate very much an early indication from the Department as to whether or not it proposes in the near future to give consideration to the request of the caneberry growers for crop reporting services.

"Sincerely yours,
"WAYNE MORSE."

"DEPARTMENT OF AGRICULTURE,
"Washington, D.C., March 2, 1959.
"Hon. WAYNE MORSE,
"U. S. Senate.

"DEAR SENATOR MORSE: This is in reply to your inquiry of February 19 concerning the possibility of the inauguration of statistical reports for caneberries by the Department.

"Last year, following a similar inquiry from your office, some information relating to the problem of inaugurating such estimates for caneberries and small fruits in the 17 principal producing States was provided. At that time it was stated that the heavy program of work carried by the Agricultural Estimates Division of the Agricultural Marketing Service made it impossible to undertake new projects, such as estimates for caneberries, with existing facilities. The same situation exists today.

"We are sympathetic to the problem of the small fruit and berry producers and appreciate their need for crop-reporting services on these crops. We shall be glad to render these services as soon as the resources available to us permit.

"Sincerely yours,

"CLARENCE L. MILLER,
"Assistant Secretary."

"MARCH 12, 1959.

"HON. EZRA TAFT BENSON,
"Secretary of Agriculture,
"Washington, D.C.

"DEAR MR. SECRETARY: In order that I might have current information to present to the Agricultural Subcommittee of the Senate Appropriations Committee with respect to the cost of inaugurating a program within the Agricultural Marketing Service of the Department of Agriculture which would provide reports on acreage forecasts and final reports on 8 caneberry crops in the 17 principal producing States, I need to determine from your agency your best estimate as to the first year appropriations needed to establish the program, as well as what would be needed in subsequent years, upon an annual basis, to carry such a program out.

"It would also be helpful if you would provide with your reply such data as may be available to the Service with respect to the cash receipts to farmers in the 17 largest producing States, the number of farmers receiving these receipts, and the average size of farm holdings producing these crops.

"I note that in your March 2, 1959, reply to my February 19 inquiry on this general subject you did not, as in the previous year, indicate what priority listing caneberry reporting services currently enjoy within the departmental listing of desirable functions not currently enforced. This information would, in my judgment, be helpful to me in preparing my presentation.

"I would assume the Department feels that crop reporting services are of benefit to the American farmer. Any recent publication or release by the Department outlining the views made known to the Department by farmers with respect to this service would be helpful to me.

"While I can understand that in a time of budget stringency the Department might not feel free to advocate the extension of such services to farmers as I propose, nevertheless I should appreciate, if the Department is able to do so, receiving assurances that the extension of the crop reporting service would not be opposed on other than budgetary grounds.

"Sincerely yours,

"WAYNE MORSE."

"STATE OF OREGON,

"DEPARTMENT OF AGRICULTURE,

"Salem, March 16, 1959.

"HON. WAYNE MORSE,

"Senate Office Building, Washington, D.C.

"DEAR SENATOR MORSE: Thanks for your letter of March 12 advising that the Department of Agriculture has not included in their appropriation estimates a request for supplemental funds for a crop reporting service for caneberries, but that you are asking them to furnish you with some statistical information which may be helpful to the committee when it considers the agriculture appropriation bill.

"In response to your suggestion for any information we would like to have you present, we are checking with caneberry indus-

try factors as to any statistics which can be developed substantiating statements which we made in their behalf in my letter of February 16 to you. We believe this can be done within the next 10 days and trust that this will be in time to be of assistance to you in your presentation to the committee.

"With kindest regards, I am,

"Sincerely,

"PAUL T. ROWELL,

"Chief, Division of Market Development."

"DEPARTMENT OF AGRICULTURE,

"Washington, D.C., April 3, 1959.

"HON. WAYNE MORSE,

"U.S. Senate.

"DEAR SENATOR MORSE: Pursuant to the request contained in your letter of March 12, 1959, the cost of providing crop reports on 8 small fruits for the 17 principal producing States is estimated at \$125,000 per year. The eight small fruits include five caneberries—blackberries and dewberries, boysenberries, loganberries, raspberries, and youngberries—and three bushberries—blueberries, currants, and gooseberries. Costs have been figured on the basis of providing three reports a year for each crop—an acreage estimate, a production forecast, and a final report at the end of the season. The estimate of \$125,000 per year applies both to establishing the program and to continuing it in subsequent years. You understand, of course, that this estimated cost cannot be considered as official or as a recommendation by this Department, since it has not had budgetary consideration in either the Department or the Bureau of the Budget.

"In obtaining information on these specialty crops one of the biggest problems is the establishment and maintenance of up-to-date lists and securing current reports from numerous small producers.

"We are enclosing two tables which sum-

marize the 1954 U.S. census data available for these crops. Table 1 lists the value of each of the 8 small fruits in each of the 17 States that had a significant production of that crop in 1954. Table 2 shows 1954 census data on the number of growers, average acreage per grower, and value for each of the eight small fruits. These census value figures relate to production harvested for sale. For simplicity the figures in table 2 are based on the census totals for all States. Table 1 shows that the 17 principal producing States account for about 95 percent of the value of these 8 crops for all States.

"This matter was considered by the Deciduous Fruit and Tree Nut Research and Marketing Advisory Committee at their last meeting, January 5-8, 1959. Other matters were considered by the committee of interest to the fruit and tree nut industry, such as market news reporting of truck receipts, annual fruit and nut acreage estimates, objective methods of estimating production, etc. The Department plans to make provision in its estimates for these various items, among others in an orderly manner as resources available to us permit.

"Since most of the comments from farmers are received in the various State offices, we have not endeavored to prepare a general publication outlining farmers' views with respect to the value of crop reports. However, the fact that over one-half million farmers report one or more times a year without any compensation except the reports they receive is of itself an indication of the importance placed on this service by farmers. Farmer interest is also demonstrated by the fact that both growers and processors of small fruits in your State have joined in the request for reports on these crops.

"Sincerely yours,

"TRUE D. MORSE,
"Acting Secretary."

"TABLE 1.—Selected small fruits¹—Value of production harvested for sale, 1954 U.S. census

"[Dollar amounts in thousands]

"State	Black-berries and dew-berries	Boysen-berries	Logan-berries	Rasp-berries ²	Young-berries	Blue-berries	Cur-rants	Goose-berries	Total, 8 crops ²
Maine.....				\$48		\$2,067			\$2,115
Massachusetts.....						232			232
New York.....				1,130		64	\$323		1,517
New Jersey.....				131		3,744			3,875
Pennsylvania.....				267					267
Ohio.....				318					318
Michigan.....	\$331			2,723		2,560	74		5,688
Wisconsin.....				113					113
Minnesota.....				192					192
North Carolina.....	98					263			361
Alabama.....	324								324
Arkansas.....		\$130							130
Texas.....	692								692
Utah.....				113					113
Washington.....	544		\$41	2,754		179	57		3,575
Oregon.....	1,060	828	231	2,227				\$145	4,491
California.....	92	2,268	197	429	\$92				3,078
17 States.....	3,141	3,226	469	10,445	92	9,109	454	145	27,081
All States.....	3,366	3,495	475	11,004	126	9,522	518	176	28,482
Percent ³	93	98	99	95	73	96	88	82	95

¹ The term "Selected small fruits" includes 5 caneberries and 3 bushberries as follows: Caneberries: Blackberries and dewberries, boysenberries, loganberries, raspberries, youngberries. Bushberries: Blueberries, currants, gooseberries.

² The Department's present program of small fruit estimates covers only caneberries and strawberries.

³ Separate estimates are needed for red raspberries and black raspberries, making the equivalent of 9 crops.

⁴ 17 States as a percent of all States.

Source: Fruit and Vegetable Statistics Branch, Agricultural Estimates Division, AMS, USDA, Mar. 17, 1959.

"TABLE 2.—Selected small fruits—Number of growers and acres and value of production harvested for sale, United States, 1954, U.S. census

"Crop	Number of growers	Acres harvested for sale	Average acreage per grower	Value	Average value per acre
Caneberries:					
Blackberries and dewberries.....	5,872	10,621	1.8	\$3,366,000	\$317
Boysenberries.....	2,554	5,412	2.1	3,295,000	609
Loganberries.....	577	1,022	1.8	475,000	465
Raspberries.....	22,399	23,868	1.1	11,004,000	461
Youngberries.....	334	291	.9	126,000	433
Bushberries:					
Blueberries.....	4,065	42,812	10.5	9,522,000	222
Currants.....	851	1,130	1.3	518,000	458
Gooseberries.....	301	442	1.5	176,000	398
Totals, 8 crops.....		85,598		28,482,000	333"

Source: Fruit and Vegetable Statistics Branch, Agricultural Estimates Division, AMS, USDA, Mar. 17, 1959.

"RESOLUTION OF WOODBURN FRUIT GROWERS' COOPERATIVE ASSOCIATION, WOODBURN, OREG.

"Resolved, That the Northwest Berry Association go on record in favor of recommending that the U.S. Department of Agriculture expand their crop reporting service estimates to include other small fruits as well as strawberries, that they contain acreage, cold storage, estimated tonnage for the year, and the tonnage that the trade can consume, and that the reports be published monthly.

"Herbert E. Steiner, Emil Kraft, L. L. Cooper, Avis A. Giffels, B. O. Belden, Ben Hochhalter, E. F. Kennedy, Charles H. White, L. Roy Ewing, Pete Holt, C. H. Steiner, Ronald X. Smith, Axel H. Hanson, Wilford Nelson, Cecil O. McKay, Louis Pfau, Alden Waterson, C. J. Montagne, N. L. Groszold, Alan Misba, William Kalsn, Ernest E. Cullison, Clarence C. Cummings, Marvin M. Richter, F. L. Shipley, I. L. Tallinan, Arthur Needham, Leonard Larson, Thomas McNuttie, Howard L. Dudley, Andrew Boutain, W. H. Welch, Chris T. Jochanz, Hjalmutte Mattson, E. F. Leming, W. C. Bacon, L. H. Roach, John Beecraft, Lewis A. McBeth."

"RESOLUTION TO HAVE THE UNITED STATES DEPARTMENT OF AGRICULTURE EXPAND CROP REPORTING SERVICE ESTIMATES TO INCLUDE THE FOLLOWING FRUITS: RED RASPBERRIES, BLACKBERRIES, RASPBERRIES, BOYSENBERRIES, LOGANBERRIES, BLACKBERRIES, GOOSEBERRIES

"Whereas unknown crop acreages and crop conditions have caused (1) wide market price fluctuations; (2) unsettled market conditions; (3) serious financial losses to growers, processors, and product manufacturers; (4) lack of confidence by all concerned: be it

"Resolved, That since this is a \$10 million industry in the State of Oregon and therefore vital to our Oregon economy, the undersigned persons or organizations request that the U.S. Department of Agriculture expand their crop reporting service estimates to include the above fruits and that reports be published monthly to include acreage estimates, cold storage holdings, estimated tonnage for the year, and estimated tonnage that the trade can normally consume.

"E. R. Mette, Frank J. Burke, Marvin Van Cleve, Fred Saffi, Bill Shim, B. O. Melden, J. M. Coulson, Alan D. Wiesner, A. E. Oldenburg, Pierre Saucy, Stanley Sneed, Donald Davidson, Ed Zielinski."

"U.S. SENATE,

"COMMITTEE ON FOREIGN RELATIONS,

"April 14, 1959.

"Hon. CARL HAYDEN,

"Chairman, Appropriations Committee,

"U.S. Senate, Washington, D.C.

"DEAR SENATOR HAYDEN: I am informed that there will be presented to your committee a

request for funds for an expansion within the Agricultural Marketing Service of the U.S. Department of Agriculture which would permit new crop reporting services which would be of value to farmers in 17 States, including Ohio.

"Currently, I am informed the service in this category covers only strawberries and cranberries.

"I am informed that an appropriation of \$125,000 annually would permit the continuation of the present reporting with the addition of cane and bushberry production.

"If funds necessary to carry out this expansion in the U.S. Department of Agriculture crop reporting service are available without unbalancing the Federal budget, I urge favorable consideration of this proposal.

"Sincerely yours,

"FRANK J. LAUSCHE."

"U.S. SENATE,

"COMMITTEE ON INTERIOR

AND INSULAR AFFAIRS,

"April 13, 1959.

"Hon. RICHARD B. RUSSELL,

"Chairman, Agriculture Appropriations Subcommittee, Committee on Appropriations, U.S. Senate, Washington, D.C.

"DEAR DICK: As you know, Oregon is one of the Nation's major producers of caneberries and bushberries. Growers of these fruits in my State are currently handicapped in making planting and marketing decisions by a lack of information regarding activities of producers outside their immediate area. They have asked to have included in the Agricultural Marketing Service section of the U.S. Department of Agriculture Appropriations Act for fiscal year 1960 an item of \$125,000 to provide acreage and crop reporting services for caneberries and bushberries. This cost figure has been supplied by the Department of Agriculture and would provide for crop reports on 8 small fruits, including blackberries, dewberries, boysenberries, loganberries, raspberries, youngberries, blueberries, currants, and gooseberries for the 17 principal producing States. The cost estimate was based on three reports a year for each crop: (1) an acreage estimate, (2) a production forecast, and (3) an end-of-season final report. No additional authorization legislation would be necessary.

"The need for this service is generally acknowledged. The Department of Agriculture has indicated that it recognizes the desirability of the suggested program. Grower support in Oregon is strong. To illustrate the degree of enthusiasm for creation of such a service, I would like to quote briefly from a recent letter which I received from Mr. Paul T. Rowell, chief of the division of market development of the Oregon State Department of Agriculture. Mr. Rowell told me:

"* * * caneberry industry factors and others interested in Oregon and Washington have indicated the need for information on acreage and production estimates for a num-

ber of varieties of berries that are not now included in the USDA reports. The Northwest Cannery and Freezers Association last April mailed a questionnaire to their berry processor members, with a response that was surprising even to its officers. Executive Vice President Cecil R. Tulley reported that a total of 24 firms in Oregon and Washington responded to the questionnaire and all of them except one favored the addition of acreage and production estimate reports by the crop reporting service on the berries they pack, which included red raspberries, blackberries, boysenberries, black raspberries, loganberries and gooseberries, with not all handling all of these kinds."

"Mr. Rowell also cited specific examples to indicate the benefits which would derive from establishment of the acreage and crop reporting service. He stated:

"The need for a caneberry crop reporting service was graphically illustrated during the 1958 season. With heavy carryover stocks, market prices to processors and by them to growers were very low until after the crops were harvested and processed. Even though 1958 production was reduced sufficiently to justify better prices, it was impossible to convince eastern wholesalers of this until it was borne out by final storage figures after harvest. As a result many producers and processors who had to sell during the harvest season were forced to take lower prices than were available later on.

"Another illustration is in the lack of reliable acreage information, particularly between areas in different parts of the country. As an example, substantial plantings of black raspberries were made in the Willamette Valley during the past few years without proper knowledge of heavy plantings also in the Michigan area. This resulted last year in low market prices which might have been largely avoided through lesser plantings with the benefit of up-to-date acreage data developed through an adequate acreage reporting service."

"Producers of the eight berries proposed for inclusion in the Department of Agriculture's crop reporting service account annually for over \$28 million in farm income. Among the 17 States which supply 95 percent of the value of these crops for all States, Oregon ranks fourth in value of production harvested. Information which would be made available under the proposed plan would, of course, be of great significance to my State.

"I hope that your subcommittee will wish to give this suggestion careful consideration in review of fiscal year 1960 appropriations for the Agricultural Marketing Service section of the Department of Agriculture, and that you and your fellow members will see fit to provide the funds needed to initiate the program.

"With best wishes, I am,

"Sincerely,

"RICHARD L. NEUBERGER."

"APRIL 14, 1959.

"Hon. RICHARD L. NEUBERGER,

"U.S. Senate, Washington, D.C.

"DEAR SENATOR NEUBERGER: Permit me to acknowledge and thank you for your letter of April 13 expressing your strong interest in seeing funds included in the agricultural appropriation bill for fiscal 1960 to enable the Agricultural Marketing Service to provide acreage and crop reporting services for caneberries and bushberries.

"I shall be glad to see that the information outlined in your letter is called to the attention of the other members of the Agricultural Appropriations Subcommittee at the proper time. We have scheduled hearings to begin on the Department's bill the early part of next week, and at such time as we reach the section dealing with funds for the Agricultural Marketing Service you may be as-

sured the item in which you are interested will have the careful attention of the subcommittee.

"With every good wish, I am,

"Sincerely,

"DICK RUSSELL."

"U.S. SENATE,

"COMMITTEE ON AGRICULTURE
AND FORESTRY,

"April 14, 1959.

"Hon. RICHARD RUSSELL,

"Chairman, Subcommittee on Agriculture,
Senate Committee on Appropriations,
U.S. Senate, Washington, D.C.

"DEAR SENATOR RUSSELL: Sales of fruit from cane and bushberry varieties is a significant crop in Wisconsin and a number of other States. Producers of these berry crops, however, have virtually no dependable economic information upon which to plan their production and marketing policies. It would be most helpful to producers of these crops to have the Agricultural Marketing Service of the U.S. Department of Agriculture expand its crop reporting services to cover other berry crops on a basis similar to the service now provided for strawberries and cranberries.

"The Department of Agriculture now has sufficient authority to carry on this crop-reporting service for these fruit crops. However, appropriations have not in the past been provided to enable the Department to accomplish this crop-reporting work. According to information from the Department of Agriculture an annual appropriation of \$125,000 would be sufficient to provide for this crop reporting service.

"I would greatly appreciate your calling this matter to the attention of the subcommittee and the full committee, and I request that most careful consideration be given to providing the necessary appropriation for this proposed expansion of the crop-reporting service.

"Sincerely yours,

"WILLIAM PROXMIRE,

"U.S. Senator."

"U.S. SENATE,

"COMMITTEE ON ARMED SERVICES,

"April 15, 1959.

"Hon. WILLIAM PROXMIRE,

"U.S. Senate, Washington, D.C.

"DEAR SENATOR PROXMIRE: Permit me to acknowledge and thank you for your letter of April 14 expressing your strong interest in seeing funds included in the agricultural appropriation bill for fiscal 1960 to enable the Agricultural Marketing Service to provide acreage and crop reporting services for caneberries and bushberries.

"I shall be glad to see that the information outlined in your letter is called to the attention of the other members of the Agricultural Appropriations Subcommittee at the proper time. We have scheduled hearings to begin on the Department's bill the early part of next week, and at such time as we reach the section dealing with funds for the Agricultural Marketing Service you may be assured the item in which you are interested will have the careful attention of the committee.

"With every good wish, I am,

"Sincerely,

"DICK RUSSELL."

THE CONSERVATION RESERVE OF THE SOIL BANK

Mr. HUMPHREY. Mr. President, the conservation reserve of the soil bank has been of significant value to progress in the conservation of natural resources. Under this program, the farmer is offered the opportunity voluntarily to set aside land for periods of from 3 to 10 years, during which time it is diverted from the production of agricultural crops. During the contract period the

land is protected from deterioration by the establishment of cover which contributes to soil, water, forest, or wildlife conservation.

Twenty-three million acres have now been placed in the conservation reserve, 13 million acres during the 1959 sign-up. On the 10 million acres placed in the reserve in 1957 and 1958 there have been some impressive conservation accomplishments. Let me illustrate one of these. Ever since the end of World War I, a major conservation problem has been the wind erosion in the so-called Dust Bowl of the Southwestern States. Much of this area was plowed up and used for the production of wheat. While this may have been necessary as part of a war effort, it left behind a tremendously difficult situation, for this was land which quickly developed a wind erosion problem. Millions of dollars have been expended in this region in the intervening years to assist farmers in the area where agricultural economy had been disrupted and additional millions have gone into attempts to restore the grass cover which had been destroyed.

Quietly, and without fanfare, the conservation reserve has placed 3 million acres of land in this region under contract and has seeded this land to grass. On hundreds of farms in this region, where 4 years ago there was blowing dust, today there are thriving stands of grass.

Another quick illustration: On the wornout lands of the Piedmont Plateau of the Southeast, almost 600,000 acres have been planted to pine trees. This will contribute to the saving of this land from the ravages of erosion and at the same time will make a substantial contribution to the future needs of America for forest products.

All told, a total of 1 million acres have been planted to trees and 9 million acres are protected by grass on the first 10 million acres placed in the conservation reserve. For the 13 million acres placed in the reserve in 1959 the conservation job is, of course, not completed, although establishment is being carried out at this time. On the basis of preliminary data projected for the entire acreage, it appears that another 11.5 million acres will be protected with grass and 700,000 acres will be planted to trees, and the balance is to be established in wildlife cover or other miscellaneous uses.

The benefits to wildlife from this program are also particularly worthy of mention. Increases in farm game species have been reported from every section of the country where substantial acreages have been placed in the conservation reserve. Sportsmen are particularly enthusiastic about the fine hunting they have been enjoying on conservation reserve lands. Since one out of every three families in the United States has a member who either hunts or fishes, this benefit from the program has the endorsement of urban as well as rural people.

In the face of this record of conservation accomplishment, I believe that the committee acted wisely in setting the authorization for the 1960 conservation re-

serve at \$450 million, and I urge all Senators to continue to support this program.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. MCGEE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a portion of the testimony from the recent hearing before the Committee on Interstate and Foreign Commerce concerning the nomination of Lewis L. Strauss to be Secretary of Commerce.

The testimony will demonstrate again, for the benefit of Senators who were not present at the hearings, the pattern of deviousness and evasion which made the path of those who sought to elicit factual answers from Mr. Strauss a very difficult one.

It is unthinkable that the Senate should confirm the nomination of this man, who himself prolonged the hearings on his nomination by such tactics. This sort of performance constitutes still another reason why the nomination of Mr. Strauss to be Secretary of Commerce should not be confirmed.

There being no objection, the portion of the testimony ordered to be printed in the RECORD, as follows:

Mr. STRAUSS. I stated a few minutes ago, Senator MCGEE, that I did not have the benefit of AEC files on this subject. It is my recollection, but not positive, that the letter from the Attorney General, in question, was addressed to the Department of Defense. I am not sure. Now, Senator, I didn't have the opportunity of cross-examining you, during your testimony—

Senator ANDERSON. I hate to see a statement like that made.

The CHAIRMAN. We will let the Senator from Wyoming ask questions.

Senator MCGEE. Is it not true that this Attorney General opinion did reach your office?

Mr. STRAUSS. I am unable to answer, but I will be glad to find out and submit the answer for the record.

Senator MCGEE. This is important because this is the core of Senator ANDERSON's charge, not the thing to which you were addressing yourself in this rather lengthy statement.

Mr. STRAUSS. I am sorry. It is just a matter of a disagreement—

Senator MCGEE. Here it is. We can read it for the committee, presented in testimony from Senator ANDERSON, and this is what the committee must have an answer to if it is to be destroyed.

Mr. STRAUSS. As far as I know, at this moment, when the conversations began with the British, between the Defense Department and the British and the State Department, information to that effect was conveyed to the Joint Committee.

It may be that a member of your committee, who sat as chairman of the Subcommittee on Agreements for Cooperation of the Joint Committee may have a more positive recollection of it.

(Senator PASTORE then discussed the personal role he played in the matter of the Nautilus submarine as chairman of the Subcommittee on Agreements for Cooperation.)

Senator MCGEE. Mr. Chairman, may I return to this only by citing—I didn't have the original experience that the Senator from Rhode Island had, and I appreciate that addition to the climate that prevailed at that time, because it helps those of us who weren't able to be there. But I am con-

cerned here today with the testimony of the nominee, who has it in print here that he considers the most serious instance of the Senator's charges that the AEC failed to keep the Joint Committee fully and currently informed.

Those are not my words. Those are not the rumors that prevailed at the time, or the difference of opinion. This comes from the nominee. And he is questioning the validity of Senator ANDERSON's charge involving that.

Senator ANDERSON's charge I have just read again into the record, and the witness did not address himself to the point that he admits was the most important in Senator ANDERSON's accusation.

Senator PASTORE. Let me say to the Senator from Wyoming that I am not going to quarrel with him. As a matter of fact, the Senator from Rhode Island takes the position that he is not going to come between two men whom he has loved and respected for 2 years. This is a very tragic and sorrowful situation for the junior Senator from the State of Rhode Island and I am very very sorry that because of duty, of compulsion, must become a part of it.

Let me say this to the Senator from Wyoming: I think in view of the fact that the point has been raised, I think Admiral Strauss should answer on that point unequivocally and categorically.

Mr. STRAUSS. Senator PASTOR, I am sure that in this case, and in many others—if I knew what they were—there were delays in time of reporting. The Atomic Energy Commission is a large and complicated enterprise.

This particular negotiation was not primarily Atomic Energy responsibility, although under the law the agreement had to be an agreement which the Atomic Energy Commission, to which the Atomic Energy Commission became a party.

I know that at the time everyone—no; I know that at the time many of us considered that the provision in the statute for the cooling period allowed the Congress, and was designed to allow the Congress, an opportunity to take appropriate steps to prevent a contract—an agreement with another nation—from becoming effective if it desired to do so.

I also note that this particular agreement was suspended by the President, although no action was taken by the Joint Committee or the Congress within the 30-day period, and it was suspended in effect for a year before any exchanges occurred.

Senator PASTORE. And that was the agreement which was reached with the committee, after we had this confusion and this misunderstanding before the Joint Committee; it was understood and decided and agreed that nothing would happen until enough time was given to look into all the facts.

Am I correct?

Mr. STRAUSS. That is so. It seems to me that that would have absolved me from an error.

Senator PASTORE. I will say here frankly, and I will repeat this again, it is a very tragic moment for me, but it all depends on how you felt and how you looked at it. It all depends on through what eyes you saw the proposition. I didn't see all the deception and I didn't see all the deceit. That is from my own point of view. I am only expressing myself. I understood it as a misunderstanding. I thought that Admiral Strauss was wrong. I think, on the other hand, some of us may have been wrong as well. But I didn't see it in any such drastic way as it has been pictured here. I am sorry to say this, but that is as I feel, as God is my judge.

Senator McGEE. I certainly, for one, Mr. Chairman, appreciate the depth of that statement and conviction. I would only like to ask the admiral this: What is your position? Did you, in fact, confront the committee with the instruction from the Attorney General the day of the British agreement when it was sent to the President for approval?

Mr. STRAUSS. Senator, on the basis of the chronology that I have given—I have given you the chronology that I have.

Senator McGEE. My question is very simple, Admiral. Did you or did you not?

Senator COTTON. Mr. Chairman, I think the witness should be allowed to answer the question without being interrupted.

The CHAIRMAN. I think the Senator from Wyoming is trying to ask a question, and he has repeated it. I am sure the Admiral will try to answer it to the best of his ability.

Mr. STRAUSS. I think I can answer the question to your satisfaction.

It does appear that the agreement was sent to the President, in its draft form, the day before it came to the Joint Committee; it was not approved by the President until 6 days after it was sent to the Joint Committee. If there is a crime involved in that—

Senator McGEE. We are talking about the letter now from the Attorney General.

Mr. STRAUSS. No, you said the agreement. The letter from the Attorney General, sir, I can't identify. I don't have a copy of it. I don't know to whom it was addressed. I would have to reserve any answer on that until I can obtain the facts.

Senator McGEE. Will you testify—has this been testified to before the Joint Committee?

Mr. STRAUSS. Pardon?

Senator McGEE. Has that been testified to before the Joint Committee?

Mr. STRAUSS. Has what been testified to? Senator McGEE. This action involving the Attorney General's—

Mr. STRAUSS. I can't answer; but the records of the Joint Committee will bear out the answer to that. I don't know, sir.

Senator McGEE. It seems to me a great deal hangs on this, Mr. Chairman, because this is the crux of the admiral's answer to Senator Anderson. We have to clear this up.

Mr. STRAUSS. There was testimony before the Joint Committee on the 21st of May, on the 8th of June, and on the 9th of July, and I am sure that Senator ANDERSON would permit the records of those hearings to be examined.

Senator McGEE. Do you question this statement, then?

Mr. STRAUSS. No. I said I didn't know. I can't question it. I don't know whether that letter was introduced in evidence or not, Senator.

Senator McGEE. Do you withdraw then your three or four pages here—

Mr. STRAUSS. I withdraw nothing from the statement that I have made thus far. Nothing.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. KUCHEL. Mr. President, I move, in accordance with the previous order, that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 55 minutes p.m.) the Senate adjourned, in accordance with the order previously entered, until tomorrow, Wednesday, June 3, 1959, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 2, 1959:

DIPLOMATIC AND FOREIGN SERVICE

William M. Rountree, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Pakistan, vice James M. Langley.

G. Lewis Jones, of the District of Columbia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State, vice William M. Rountree.

NATIONAL LABOR RELATIONS BOARD

Boyd Leedom, of South Dakota, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1964. (Reappointment.)

U.S. ATTORNEY

Walter E. Alessandrini, of Pennsylvania, to be U.S. attorney for the eastern district of Pennsylvania for a term of 4 years, vice Harold K. Wood.

U.S. PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior assistant surgeons

James C. Allen	Arthur Karmen
Burton Allyn	James H. Kauth
David L. Aronson	Kurt W. Kohn
Joseph A. Bauer	Irwln J. Kopin
Thomas C. Bithell	Leavie E. Lee, Jr.
Kurt J. Bloch	Leonard M. Linde
Jacob A. Brody	Philip R. B. McMaster
Howard M. Cann	Arthur D. Merritt
Theodore R. Carski	Edward L. Michals
Thomas M. Cassidy	Richard S. Moraites
George E. Cobb	Charles F. Nadler
Robert B. Couch	Robert J. Olson
Robert L. Dornlan	Robert J. B. Osnos
H. Bruce Dull	Malcolm I. Page
Frederick L. Dunn	Bertram W. Pepper
Leland L. Fairbanks	Douglas K. Powers
George H. Franck	John C. Pruitt
Herschel C. Gore	Carroll B. Quinlan
Charles L. Greenblatt	Robert R. Schenck
John H. Hammann	Donald P. Schlieder
Avery R. Harrington	Sam Silbergeld
Hugh R. Hayward	George P. Sperry
Alan F. Hofmann	William H. Strange
Alfonso H. Holguin	Gerald G. Van
John P. Hughes	Arendonk

To be assistant surgeons

Paul G. Belau	James L. Johnson
Norris D. Buchmeyer	Donald E. McMillan
Joseph O. Dean, Jr.	Charles A. Peterson
John W. Dickson	James S. Sullivan
S. Paul Ehrlich, Jr.	Paul N. Vann

To be senior assistant dental surgeon

Richard L. Smith

To be assistant dental surgeon

Oscar H. Tatum, Jr.

To be assistant sanitary engineers

Robert G. Bostrom	Gerald G. Vurek
Gerald M. Hansler	Carl M. Walter
Parker C. Reist	

To be junior assistant sanitary engineer

Paul H. King

To be senior assistant pharmacists

Frank W. Hollister
M. Thomas Wagner, Jr.

To be assistant pharmacists

James R. Grigdesby	Walter J. Ludwig
George R. Hall	Bernard Shalen
John H. Herath	Lawrence D. Smith

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued June 4, 1959
For actions of June 3, 1959
86th-1st, No. 90

Agricultural appropriations.....1		
Alaska.....5,37		
Appropriations...1,2,13,35		
ASC Committees.....29		
Budget.....6,21		
Conservation.....18		
Country life.....24		
Depressed areas.....32		
Diseases.....4		
Eggs.....7		
Farm credit.....4		
Farm loans.....4,28		
Farm program.....11,25		
Federal-State relations.14		
Flood prevention.....10		
Foreign aid.....12,16,38		
Forests.....9		
Industrial uses.....34		
Information.....23		
Land.....4,31		
Land banks.....4,28		
Legislative program.....20		
Livestock.....4		
Lobbying.....19		
Manpower.....23		
Monopolies.....17		
Personnel.....15,26,29		
Poultry.....4,7		
Prices.....36		
Price supports.....1,11,30		
Property.....5,27		
Public Law 480.....22		
Research.....34		
Roads.....9		
Surplus commodities.....3,22,26a		
Unemployment compensation.....33		
Vehicles.....26		
Water.....18		
Wheat.....11		
Wildlife.....8,27		

HIGHLIGHTS: Senate passed agricultural appropriation bill. Both Houses agreed to conference report on Treasury-Post Office appropriation bill. Sen. Murray criticized Secretary's surplus food distribution policies. Senate committee voted to report bill to extend FHA authority for refinancing loans. Sens. Humphrey and Symington introduced and Sen. Humphrey discussed bill to transfer surplus food distribution activities to HEW.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1960. Passed with amendments, 74 to 10, this bill, H. R. 7175 (pp. 8701-13).

Agreed to an amendment by Sen. Allott to provide that \$15,000 of the funds for AMS marketing services shall be available for range and feedlot market reporting in Colorado and adjacent areas (pp. 8701-2).

Agreed to a "clarifying amendment" by Sen. Russell to provide that the \$1 million for ARS to provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field may be used by ARS "in Departmental research programs" (p. 8704).

A point of order by Sen. Young, N. Dak., was sustained against an amendment by Sen. Douglas which would have provided that in carrying out the price support programs required by law no funds or stocks of CCC shall be utilized for the

purpose of carrying out price support operations for any crop planted after Jan. 1, 1960, for which expected production for such year exceed domestic consumption plus normal exports, plus set-asides required by law for national emergency purposes, by more than 3 percent, and for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to sec. 401 (c) of the Agricultural Act of 1949, as amended (pp. 8704-09).

Rejected, 37 to 48, an amendment by Sen. Williams, Del., to reduce from \$450 million to \$375 million the limitation on the conservation reserve authorization for payments to producers in any calendar year (pp. 8702-04).

Conferees were appointed (p. 8710). House conferees have not yet been appointed.

2. TREASURY-POST OFFICE APPROPRIATION BILL, 1960. Both Houses agreed to the conference report on this bill, H. R. 5805 (pp. 8715, 8739). This bill will now be sent to the President.
3. SURPLUS FOODS. Sen. Murray called attention to hearings to be held by the Agriculture and Forestry Committee on S. 1884, to transfer authority from the Department to HEW for the distribution of surplus commodities to the needy, criticized this Department's administration of the surplus food distribution program, and inserted the text of a letter from this Department opposing S. 661 to authorize CCC to process food commodities for donation purposes. pp. 8692-3
4. THE AGRICULTURE AND FORESTRY COMMITTEE voted to report (but did not actually report) the following bills: p. 8428
 - S. 1941, without amendment, to extend sec. 17 of the Bankhead-Jones Farm Tenant Act for two years so as to permit real estate loans by FHA for re-financing farm debts.
 - S. 864, with amendment, to authorize this Department to dispose of animals infected or exposed to communicable diseases dangerous to livestock or poultry.
 - S. 1512, with amendment, to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks.
 - S. 1513, with amendment, to clarify the status of the Federal land banks, Federal intermediate credit banks, and banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the U. S. and its officers and employees.
 - S. 1521, with amendment, to provide for the removal of restrictions on use with respect to a tract of land in Cumberland Co., Tenn., formerly under the jurisdiction of FHA, which was conveyed to Tenn.
5. ALASKA. Passed with amendments S. 1541, to amend laws of the U. S. in light of the admission of Alaska into the Union (pp. 8715-21, 8737-8).

Agreed to an amendment by Sen. Gruening to clarify the conditions under which property utilized on functions curtailed by the Federal Government in Alaska may be transferred to the State. Sen. Gruening stated that the purpose of the amendment was to make clear that it provides "for the transfer of property, and not for the transfer of government functions." (pp. 8720-1).

Agreed to a motion by Sen. Jackson to substitute the language of the bill as passed for the text of a similar bill, H. R. 7120, as passed by the House. H. R. 7120 was then passed. S. 1541 was indefinitely postponed. (p. 8721).
6. BUDGET. Sen. Bridges inserted an editorial favoring his bill to require the President to submit a balanced budget. p. 8737

86TH CONGRESS
1ST SESSION

H. R. 7175

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 1959

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1960; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, and home economics, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$10,000, except for five buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one

1 building during the fiscal year shall not exceed \$3,750 or 4
2 per centum of the cost of the building, whichever is greater:

3 **Research:** For research and demonstrations on the pro-
4 duction and utilization of agricultural products, home eco-
5 nomics, and related research and services, including admin-
6 istration of payments to State agricultural experiment sta-
7 tions; ~~(1)\$63,961,590~~ \$70,479,390: *Provided*, That the
8 Secretary is authorized to acquire from the Department of
9 the Army without reimbursement land and improvements at
10 Orlando, Florida, to be transferred pursuant to the Federal
11 Property and Administrative Services Act of 1949, as
12 amended: *Provided further*, That the limitations contained
13 herein shall not apply to (a) replacement of buildings needed
14 to carry out the Act of April 24, 1948 (21 U.S.C. 113a),
15 or (b) not to exceed ~~(2)\$739,000~~ \$3,815,000 for the con-
16 struction and alteration of buildings: *Provided further*, That
17 the Secretary is authorized to acquire by donation lands
18 necessary for the construction thereof;

19 **Plant and animal disease and pest control:** For oper-
20 ations and measures, not otherwise provided for, to control
21 and eradicate pests and plant and animal diseases and for
22 carrying out assigned inspection, quarantine, and regulatory
23 activities, as authorized by law, including expenses pursuant
24 to the Act of February 28, 1947 (21 U.S.C. 114b-d),
25 ~~(3)\$48,340,600~~ \$51,050,600, of which \$1,500,000 shall be

1 apporportioned for use pursuant to section 3679 of the Revised
 2 Statutes, as amended, for the control of outbreaks of insects
 3 and plant diseases to the extent necessary to meet emergency
 4 conditions;

5 Meat inspection: For carrying out the provisions of
 6 laws relating to Federal inspection of meat, and meat-food
 7 products, and the applicable provisions of the laws re-
 8 lating to process or renovated butter, (4)~~\$21,135,100~~
 9 ~~\$21,324,900~~;

10 Special fund: To provide for additional labor to be
 11 employed under contracts and cooperative agreements to
 12 strengthen the work at research installations in the field, not
 13 more than \$1,000,000 of the amount appropriated under
 14 this head for the fiscal year 1959 may be used by the Ad-
 15 ministrator of the Agricultural Research Service (5)*in de-*
 16 *partmental research programs* in the fiscal year 1960, the
 17 amount so used to be transferred to and merged with the
 18 appropriation otherwise available under "Salaries and ex-
 19 penses, Research".

20 STATE EXPERIMENT STATIONS

21 Payments to States, Hawaii, and Puerto Rico: For pay-
 22 ments to agricultural experiment stations to carry into effect
 23 the provisions of the Hatch Act, approved March 2, 1887,
 24 as amended by the Act approved August 11, 1955 (7-
 25 U.S.C. 361a-361i), including administration by the United

1 States Department of Agriculture, \$31,053,708; and pay-
2 ments authorized under section 204 (b) of the Agricultural
3 Marketing Act, the Act approved August 14, 1946 (7
4 U.S.C. 1623), \$500,000; in all, \$31,553,708.

5 Penalty mail: For penalty mail costs of agricultural ex-
6 periment stations under section 6 of the Hatch Act of 1887,
7 as amended, \$250,000.

8 DISEASES OF ANIMALS AND POULTRY

9 Eradication activities: For expenses necessary in the
10 arrest and eradication of foot-and-mouth disease, rinderpest,
11 contagious pleuro-pneumonia, or other contagious or infec-
12 tious diseases of animals, or European fowl pest and similar
13 diseases in poultry, and for foot-and-mouth disease and rinder-
14 pest programs undertaken pursuant to the provisions of the
15 Act of February 28, 1947, and the Act of May 29, 1884, as
16 amended (7 U.S.C. 391; 21 U.S.C. 111-122), including
17 expenses in accordance with section 2 of said Act of Febru-
18 ary 28, 1947, the Secretary may transfer from other appro-
19 priations or funds available to the bureaus, corporations, or
20 agencies of the Department such sums as he may deem
21 necessary, to be available only in an emergency which
22 threatens the livestock or poultry industry of the country,
23 and any unexpended balances of funds transferred under
24 this head in the next preceding fiscal year shall be merged
25 with such transferred amounts: *Provided*, That this appro-

1 priation shall be subject to applicable provisions contained
2 in the item "Salaries and expenses, Agricultural Research
3 Service".

4 EXTENSION SERVICE

5 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

6 Payments to States, Hawaii, and Puerto Rico: For pay-
7 ments for cooperative agricultural extension work under the
8 Smith-Lever Act, as amended by the Act of June 26, 1953
9 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7
10 U.S.C. 347a), \$52,220,000; and payments and contracts
11 for such work under section 204 (b) -205 of the Agricultural
12 Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000;
13 in all, \$53,715,000: *Provided*, That funds hereby appropri-
14 ated pursuant to section 3 (c) of the Act of June 26, 1953,
15 shall not be paid to any State, Hawaii, or Puerto Rico prior
16 to availability of an equal sum from non-Federal sources for
17 expenditure during the current fiscal year.

18 Retirement costs for extension agents: For cost of em-
19 ployer's share of Federal retirement for cooperative exten-
20 sion employees, \$5,674,375.

21 Penalty mail: For costs of penalty mail for cooperative
22 extension agents and State extension directors, \$2,491,307.

23 Federal Extension Service: For administration of the
24 Smith-Lever Act, as amended by the Act of June 26, 1953
25 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7

1 U.S.C. 347a), and extension aspects of the Agricultural
2 Marketing Act of 1946 (7 U.S.C. 1621-1627), and to co-
3 ordinate and provide program leadership for the extension
4 work of the Department and the several States, Territories,
5 and insular possessions, \$2,242,540.

6 FARMER COOPERATIVE SERVICE

7 SALARIES AND EXPENSES

8 For necessary expenses to carry out the Act of July 2,
9 1926 (7 U.S.C. 451-457), \$615,800.

10 SOIL CONSERVATION SERVICE

11 CONSERVATION OPERATIONS

12 For necessary expenses for carrying out the provisions
13 of the Act of April 27, 1935 (16 U.S.C. 590a-590f),
14 including preparation of conservation plans and establish-
15 ment of measures to conserve soil and water (including
16 farm irrigation and land drainage and such special measures
17 as may be necessary to prevent floods and the siltation of
18 reservoirs) ; operation of conservation nurseries; classifica-
19 tion and mapping of soils; dissemination of information;
20 purchase and erection or alteration of permanent buildings;
21 and operation and maintenance of aircraft, \$82,322,000:
22 *Provided*, That the cost of any permanent building pur-
23 chased, erected, or as improved, exclusive of the cost
24 of constructing a water supply or sanitary system
25 and connecting the same to any such building and with the

1 exception of buildings acquired in conjunction with land
2 being purchased for other purposes, shall not exceed \$2,500,
3 except for eight buildings to be constructed or improved at
4 a cost not to exceed \$15,000 per building and except that
5 alterations or improvements to other existing permanent
6 buildings costing \$2,500 or more may be made in any
7 fiscal year in an amount not to exceed \$500 per building:
8 *Provided further*, That no part of this appropriation shall
9 be available for the construction of any such building on
10 land not owned by the Government: *Provided further*, That
11 in the State of Missouri, where the State has established a
12 central State agency authorized to enter into agreements
13 with the United States or any of its agencies on policies and
14 general programs for the saving of its soil by the extension
15 of Federal aid to any soil conservation district in such State,
16 the agreements made by or on behalf of the United States
17 with any such soil conservation district shall have the prior
18 approval of such central State agency before they shall
19 become effective as to such district: *Provided further*, That
20 no part of this appropriation may be expended for soil and
21 water conservation operations under the Act of April 27,
22 1935 (16 U.S.C. 590a-590f), in demonstration projects:
23 *Provided further*, That not to exceed \$5,000 may be used
24 for employment pursuant to the second sentence of section
25 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as

1 amended by section 15 of the Act of August 2, 1946
 2 (5 U.S.C. 55a) : *Provided further*, That qualified local engi-
 3 neers may be temporarily employed at per diem rates to
 4 perform the technical planning work of the service.

5 WATERSHED PROTECTION

6 For expenses necessary to conduct surveys, investiga-
 7 tions, and research and to carry out preventive measures, in-
 8 cluding, but not limited to, engineering operations, methods
 9 of cultivation, the growing of vegetation, and changes in
 10 use of land, in accordance with the Watershed Protection
 11 and Flood Prevention Act, approved August 4, 1954, as
 12 amended (16 U.S.C. 1001-1007), and the provisions of
 13 the Act of April 27, 1935 (16 U.S.C. 590a-590f), to re-
 14 main available until expended, ~~(6)\$25,500,000~~ \$20,000,000,
 15 with which shall be merged the unexpended balances of
 16 funds heretofore appropriated or transferred to the Depart-
 17 ment for watershed protection purposes: *Provided*, That not
 18 to exceed \$100,000 may be used for employment pursuant
 19 to the second sentence of section 706 (a) of the Organic Act
 20 of 1944 (5 U.S.C. 574), as amended by section 15 of the
 21 Act of August 2, 1946 (5 U.S.C. 55a).

22 FLOOD PREVENTION

23 For expenses necessary, in accordance with the Flood
 24 Control Act, approved June 22, 1936 (33 U.S.C. 701-709),

1 as amended and supplemented, and in accordance with the
 2 provisions of laws relating to the activities of the Depart-
 3 ment, to perform works of improvement, including not to
 4 exceed \$100,000 for employment pursuant to the second
 5 sentence of section 706 (a) of the Organic Act of 1944 (5
 6 U.S.C. 574), as amended by section 15 of the Act of
 7 August 2, 1946 (5 U.S.C. 55a), to remain available until
 8 expended, ~~(7)\$18,000,000~~ \$15,000,000, with which shall be
 9 merged the unexpended balances of funds heretofore appro-
 10 priated or transferred to the Department for flood prevention
 11 purposes: *Provided*, That no part of such funds shall be
 12 used for the purchase of lands in the Yazoo and Little Talla-
 13 hatchie watersheds without specific approval of the county
 14 board of supervisors of the county in which such lands are
 15 situated.

16 WATER CONSERVATION AND UTILIZATION PROJECTS

17 For expenses necessary to carry out the functions of the
 18 Department under the Acts of August 11, 1939, and Octo-
 19 ber 14, 1940 (16 U.S.C. 590y-z-10), as amended and sup-
 20 plemented, June 28, 1949 (63 Stat. 277), and September
 21 6, 1950 (7 U.S.C. 1033-39), relating to water conserva-
 22 tion and utilization projects, to remain available until ex-
 23 pended, \$75,000, which sum shall be merged with the unex-
 24 pended balances of funds heretofore appropriated to said
 25 Department for the purpose of said Acts.

1 GREAT PLAINS CONSERVATION PROGRAM

2 For necessary expenses to carry into effect a program
3 of conservation in the Great Plains area, pursuant to sec-
4 tion 16 (b) of the Soil Conservation and Domestic Allotment
5 Act, as added by the Act of August 7, 1956 (16 U.S.C.
6 590p), ~~(8)\$7,500,000~~ \$10,000,000, to remain available
7 until expended.

8 AGRICULTURAL CONSERVATION PROGRAM

9 For necessary expenses to carry into effect the program
10 authorized in sections 7 to 16, 16 (a), and 17 of the Soil
11 Conservation and Domestic Allotment Act, approved Feb-
12 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
13 590p (a), and 590q), including not to exceed \$6,000 for the
14 preparation and display of exhibits, including such displays
15 at State, interstate, and international fairs within the United
16 States, \$241,500,000, to remain available until December
17 31 of the next succeeding fiscal year for compliance with the
18 program of soil-building and soil- and water-conserving
19 practices authorized under this head in the Department of
20 Agriculture and Farm Credit Administration Appropriation
21 Act, 1959, carried out during the period July 1, 1958, to
22 December 31, 1959, inclusive: *Provided*, That not to exceed
23 \$26,832,950 of the total sum provided under this head shall
24 be available during the current fiscal year for administrative
25 expenses for carrying out such program, the cost of aerial

1 photographs, however, not to be charged to such limitation;
 2 but not more than \$5,424,200 shall be transferred to the
 3 appropriation account "Administrative expenses, section
 4 392, Agricultural Adjustment Act of 1938": *Provided fur-*
 5 *ther*, That none of the funds herein appropriated shall be used
 6 to pay the salaries or expenses of any regional information
 7 employees or any State information employees, but this shall
 8 not preclude the answering of inquiries or supplying of in-
 9 formation at the county level to individual farmers: *Provided*
 10 *further*, That such amounts shall be available for administra-
 11 tive expenses in connection with the formulation and admin-
 12 istration of the 1960 program of soil-building and soil- and
 13 water-conserving practices, under the Act of February 29,
 14 1936, as amended (amounting to \$250,000,000, including
 15 administration, and no participant shall receive more than
 16 \$2,500, except where the participants from two or more
 17 farms or ranches join to carry out approved practices de-
 18 signed to conserve or improve the agricultural resources of
 19 the community) : *Provided further*, That no change shall be
 20 made in such 1960 program which will have the effect in
 21 any county, of restricting eligibility requirements or cost-
 22 sharing on practices included in (9) ~~either the 1957 or the~~
 23 ~~1958 programs~~ *the 1959 program*, unless such change shall
 24 have been recommended by the county committee and ap-
 25 proved by the State committee (10) : *Provided further*, That

1 the proportion of the State fund initially allocated to any
2 county for the 1960 program shall not be reduced from the
3 distribution of such fund for the 1958 program year: *Pro-*
4 *vided further*, That not to exceed 5 per centum of the alloca-
5 tion for the 1960 agricultural conservation program for any
6 county may, on the recommendation of such county commit-
7 tee and approval of the State committee, be withheld and al-
8 lotted to the Soil Conservation Service for services of its
9 technicians in formulating and carrying out the agricultural
10 conservation program in the participating counties, and shall
11 not be utilized by the Soil Conservation Service for any pur-
12 pose other than technical and other assistance in such coun-
13 ties, and in addition, on the recommendation of such county
14 committee and approval of the State committee, not to exceed
15 1 per centum may be made available to any other Federal,
16 State, or local public agency for the same purpose and under
17 the same conditions: *Provided further*, That for the 1960 pro-
18 gram \$2,500,000 shall be available for technical assistance
19 in formulating and carrying out agricultural conservation
20 practices and \$1,000,000 shall be available for conservation
21 practices related directly to flood prevention work in ap-
22 proved watersheds: *Provided further*, That such amounts
23 shall be available for the purchase of seeds, fertilizers,
24 lime, trees, or any other farming material, or any soil-
25 terracing services, and making grants thereof to agricul-

1 tural producers to aid them in carrying out farming practices
2 approved by the Secretary under programs provided for
3 herein: *Provided further*, That no part of any funds avail-
4 able to the Department, or any bureau, office, corporation,
5 or other agency constituting a part of such Department, shall
6 be used in the current fiscal year for the payment of salary
7 or travel expenses of any person who has been convicted of
8 violating the Act entitled "An Act to prevent pernicious
9 political activities", approved August 2, 1939, as amended,
10 or who has been found in accordance with the provisions of
11 title 18, United States Code, section 1913, to have violated
12 or attempted to violate such section which prohibits the
13 use of Federal appropriations for the payment of personal
14 services or other expenses designed to influence in any man-
15 ner a Member of Congress to favor or oppose any legisla-
16 tion or appropriation by Congress except upon request of any
17 Member or through the proper official channels.

18 AGRICULTURAL MARKETING SERVICE

19 MARKETING RESEARCH AND SERVICE

20 For expenses necessary to carry on research and service
21 to improve and develop marketing and distribution relating
22 to agriculture as authorized by the Agricultural Marketing
23 Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-
24 ing the administration of marketing regulatory acts con-
25 nected therewith: *Provided*, That appropriations hereunder

1 shall be available pursuant to 5 U.S.C. 565a for the con-
 2 struction, alteration, and repair of buildings and improve-
 3 ments, but unless otherwise provided, the cost of erecting
 4 any one building shall not exceed \$10,000, except for two
 5 buildings to be constructed or improved at a cost not to exceed
 6 \$20,000 each, and the cost of altering any one building dur-
 7 ing the fiscal year shall not exceed \$3,750 or 3 per centum
 8 of the cost of the building, whichever is greater:

9 Marketing research and agricultural estimates: For re-
 10 search and development relating to agricultural marketing
 11 and distribution, for analyses relating to farm prices, income
 12 and population, and demand for farm products, and for crop
 13 and livestock estimates, ~~(11)\$15,044,500~~ \$15,514,100:
 14 *Provided*, That not less than \$350,000 of the funds contained
 15 in this appropriation shall be available to continue to gather
 16 statistics and conduct a special study on the price spread
 17 between the farmer and the consumer: *Provided further*,
 18 That no part of the funds herein appropriated shall be avail-
 19 able for any expense incident to publishing estimates of apple
 20 production for other than the commercial crop;

21 Marketing services: For services relating to agricultural
 22 marketing and distribution, for carrying out regulatory acts
 23 connected therewith, ~~(12)~~including the Packers and Stock-
 24 yards Act, as amended September 2, 1958, and for adminis-
 25 tration and coordination of payments to States, ~~(13)\$24,-~~

1 ~~862,600~~ \$26,426,600, (14) of which \$15,000 shall be avail-
 2 able for range and feedlot market reporting in Colorado and
 3 adjacent areas and including not to exceed \$25,000 for em-
 4 ployment at rates not to exceed \$50 per diem, except for em-
 5 ployment in rate cases at not to exceed \$100 per diem pur-
 6 suant to the second sentence of section 706 (a) of the Or-
 7 ganic Act of 1944 (5 U.S.C. 574), as amended by section
 8 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carry-
 9 ing out section 201 (a) to 201 (d), inclusive, of title II of
 10 the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291)
 11 and section 203 (j) of the Agricultural Marketing Act of
 12 1946.

13 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

14 For payments to departments of agriculture, bureaus and
 15 departments of markets, and similar agencies for marketing
 16 activities under section 204 (b) of the Agricultural Market-
 17 ing Act of 1946 (7 U.S.C. 1623 (b)), (15) ~~\$1,160,000~~
 18 \$1,195,000.

19 SCHOOL LUNCH PROGRAM

20 For necessary expenses to carry out the provisions of
 21 the National School Lunch Act (42 U.S.C. 1751-1760),
 22 \$110,000,000: *Provided*, That no part of this appropria-
 23 tion shall be used for nonfood assistance under section 5 of said
 24 Act (16): *Provided further*, That, for additional payments

1 to States in accordance with the National School Lunch Act
 2 for the purchase of food, \$43,657,248 shall be transferred
 3 to this appropriation from the funds available in the fiscal
 4 year 1959 under section 32 of the Act of August 24, 1935:
 5 *Provided further, That \$43,657,248 shall be transferred to*
 6 *this appropriation from funds available under section 32 of*
 7 *the Act of August 24, 1935, for purchase and distribution*
 8 *of agricultural commodities and other foods pursuant to sec-*
 9 *tion 6 of the National School Lunch Act, such additional*
 10 *funds to be used for the general purposes of section 32.*

11 FOREIGN AGRICULTURAL SERVICE

12 SALARIES AND EXPENSES

13 For necessary expenses for the Foreign Agricultural
 14 Service, including carrying out title VI of the Agricultural
 15 Act of 1954 (7 U.S.C. 1761-1768), and for enabling the
 16 Secretary to coordinate and integrate activities of the Depart-
 17 ment in connection with foreign agricultural work, including
 18 not to exceed \$25,000 for representation allowances and
 19 for expenses pursuant to section 8 of the Act approved
 20 August 3, 1956 (7 U.S.C. 1766), ~~(17)\$3,518,300~~ \$3,668,-
 21 000: *Provided, That not less than \$400,000 of the funds con-*
 22 *tained in this appropriation shall be available to obtain sta-*
 23 *tistics and related facts on foreign production and full and*

1 complete information on methods used by other countries to
 2 move farm commodities in world trade on a competitive basis:
 3 *Provided further*, That, in addition, not to exceed \$2,493,000
 4 of the funds appropriated by section 32 of the Act of August
 5 24, 1935, as amended (7 U.S.C. 612c), shall be merged
 6 with this appropriation and shall be available for all expenses
 7 of the Foreign Agricultural Service in carrying out the pur-
 8 poses of said section 32: *Provided further*, That, in addition,
 9 not to exceed the equivalent of ~~(18)\$1,310,000~~ \$1,160,000
 10 in foreign currencies derived from sales under title I of the
 11 Agricultural Trade Development and Assistance Act of 1954,
 12 as amended, and made available to the Department of Agri-
 13 culture, shall be available for expenses of the agricultural
 14 attaché service and for general operating expenses of the
 15 Foreign Agricultural Service in carrying out the purposes of
 16 section 104 (a) of that Act.

17 COMMODITY EXCHANGE AUTHORITY

18 SALARIES AND EXPENSES

19 For necessary expenses to carry into effect the provisions
 20 of the Commodity Exchange Act, as amended (7 U.S.C.
 21 1-17a), ~~(19)\$909,500~~ \$900,000.

22 SOIL BANK PROGRAM

23 CONSERVATION RESERVE

24 For necessary expenses to carry out a conservation re-
 25 serve program as authorized by subtitles B and C of the

1 Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814),
 2 and to carry out liquidation activities for the acreage reserve
 3 program, ~~(20)\$310,000,000~~ \$340,000,000: *Provided*, That
 4 not to exceed ~~(21)\$18,000,000~~ \$18,900,000 shall be avail-
 5 able for administrative expenses, of which not less than \$14,-
 6 400,000 may be transferred to the appropriation account
 7 "Local administration section 388, Agricultural Adjustment
 8 Act of 1938": *Provided further*, That no part of this appro-
 9 priation shall be used to enter into contracts with producers
 10 which, together with contracts already entered into, would
 11 require payments to producers (including the cost of mate-
 12 rials and services) in excess of ~~(22)\$325,000,000~~ \$450,-
 13 000,000 in any calendar year, and for purposes of applying
 14 this limitation, practice payments shall be chargeable to the
 15 first year of the contract period: *Provided further*, That no
 16 part of these funds shall be used to enter into contracts to
 17 pay ~~(23)~~rental compensation to any individual or corporation
 18 in excess of ~~(24)\$3,000~~ \$5,000 per annum: *Provided further*,
 19 That no part of these funds shall be paid on any
 20 contract which is illegal under the law due to the
 21 division of lands for the purpose of evading limits on
 22 annual payments to participants~~(25)~~: *Provided further*, That
 23 clause ~~(2)~~ of the fourth proviso relating to annual rental
 24 payments under this head in Public Law 85-459 shall not
 25 be applicable to contracts hereafter entered into~~(26)~~: *Pro-*

1 *vided further*, That no part of these funds may be used to enter
 2 into contracts for a period in excess of five years or to pay
 3 annual rentals in excess of a fair rental value of land placed
 4 under contract, such fair rental value to be based on the ac-
 5 tual production diverted each year.

6 COMMODITY STABILIZATION SERVICE

7 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

8 For necessary expenses to formulate and carry out
 9 acreage allotment and marketing quota programs pursuant
 10 to provisions of title III of the Agricultural Adjustment Act
 11 of 1938, as amended (7 U.S.C. 1301-1393), \$39,135,000,
 12 of which not more than \$6,886,300 shall be transferred to
 13 the appropriation account "Administrative expenses, section
 14 392, Agricultural Adjustment Act of 1938".

15 SUGAR ACT PROGRAM

16 For necessary expenses to carry into effect the provisions
 17 of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$71,500,-
 18 000, to remain available until June 30 of the next succeeding
 19 fiscal year: *Provided*, That expenditures (including trans-
 20 fers) from this appropriation for other than payments to
 21 sugar producers shall not exceed \$2,297,426.

22 FEDERAL CROP INSURANCE CORPORATION

23 OPERATING AND ADMINISTRATIVE EXPENSES

24 For operating and administrative expenses, \$6,376,700.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, as follows: Rural electrification program, \$136,000,000; and rural telephone program, \$79,000,000; and additional amounts, not to exceed \$25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000.

FARMERS' HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000-1031); the Farmers' Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C. 436-439); the Act of August 28, 1937, as amended (16 U.S.C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z-1 and z-10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033-1039), as follows:

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended) : Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, \$24,000,000, of which not to exceed \$2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, \$180,000,000; the Act of August 28, 1937, as amended, \$2,000,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That an additional amount, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is

1 required during fiscal year 1960 under the then existing
 2 conditions for the expeditious and orderly conduct of the
 3 loan programs under the Bankhead-Jones Farm Tenant Act,
 4 as amended, not to exceed \$5,000,000 of which shall be
 5 available for loans under title I and section 43 of title IV
 6 of such Act, as amended.

7 SALARIES AND EXPENSES

8 For making, servicing, and collecting loans and insured
 9 mortgages, the servicing and collecting of loans made under
 10 prior authority, the liquidation of assets transferred to Farm-
 11 ers' Home Administration, and other administrative ex-
 12 penses, ~~(27)\$30,300,000~~ \$31,189,500, together with a
 13 transfer of not to exceed \$1,000,000 of the fees and admin-
 14 istrative expenses charged made available by subsections (d)
 15 and (e) of section 12 of the Bankhead-Jones Farm Tenant
 16 Act, as amended (7 U.S.C. 1005 (b)), and section 10 (c) of
 17 the Act of August 28, 1937, as amended.

18 OFFICE OF THE GENERAL COUNSEL

19 SALARIES AND EXPENSES

20 For necessary expenses, including payment of fees or
 21 dues for the use of law libraries by attorneys in the field
 22 service, ~~(28)\$3,115,300~~ \$3,208,750.

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For expenses of the Office of the Secretary of Agricul-
4 ture; expenses of the National Agricultural Advisory Com-
5 mission; stationery, supplies, materials, and equipment;
6 freight, express, and drayage charges; advertising of bids,
7 communication service, postage, washing towels, repairs and
8 alterations, and other miscellaneous supplies and expenses
9 not otherwise provided for and necessary for the practical
10 and efficient work of the Department of Agriculture,
11 \$2,881,000: *Provided*, That this appropriation shall be re-
12 imbursed from applicable appropriations for travel expenses
13 incident to the holding of hearings as required by the Ad-
14 ministrative Procedure Act (5 U.S.C. 1001).

15 OFFICE OF INFORMATION

16 SALARIES AND EXPENSES

17 For necessary expenses of the Office of Information for
18 the dissemination of agricultural information and the co-
19 ordination of informational work and programs authorized by
20 Congress in the Department, \$1,431,665, of which total
21 appropriation not to exceed \$537,000 may be used for
22 farmers' bulletins, which shall be adapted to the interests

1 of the people of the different sections of the country, an
2 equal proportion of four-fifths of which shall be delivered
3 to or sent out under the addressed franks furnished by the
4 Senators, Representatives, and Delegates in Congress, as
5 they shall direct (7 U.S.C. 417) and not less than two
6 hundred and thirty-three thousand and fifty copies for the
7 use of the Senate and House of Representatives of part 2
8 of the annual report of the Secretary (known as the Year-
9 book of Agriculture) as authorized by section 73 of the
10 Act of January 12, 1895 (44 U.S.C. 241) : *Provided*, That
11 in the preparation of motion pictures or exhibits by the
12 Department, not exceeding a total of \$10,000 may be used
13 for employment pursuant to the second sentence of section
14 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), as
15 amended by section 15 of the Act of August 2, 1946 (5
16 U.S.C. 55a).

17 LIBRARY

18 SALARIES AND EXPENSES

19 For necessary expenses, including dues for library mem-
20 bership in societies or associations which issue publications
21 to members only or at a price to members lower than to
22 subscribers who are not members, \$900,000.

23 TITLE II—CORPORATIONS

24 The following corporations and agencies are hereby
25 authorized to make such expenditures, within the limits of

1 funds and borrowing authority available to each such corpo-
 2 ration or agency and in accord with law, and to make such
 3 contracts and commitments without regard to fiscal year
 4 limitations as provided by section 104 of the Government
 5 Corporation Control Act, as amended, as may be necessary
 6 in carrying out the programs set forth in the budget for the
 7 fiscal year 1960 for such corporation or agency, except as
 8 hereinafter provided:

9 **FEDERAL CROP INSURANCE CORPORATION FUND**

10 Not to exceed \$2,330,000 of administrative and operat-
 11 ing expenses may be paid from premium income.

12 **COMMODITY CREDIT CORPORATION**

13 **RESTORATION OF CAPITAL IMPAIRMENT**

14 To restore the capital impairment of the Commodity
 15 Credit Corporation determined by the appraisal of June 30,
 16 1958, pursuant to section 1 of the Act of March 8, 1938,
 17 as amended (15 U.S.C. 713a-1), \$1,435,424,413.

18 **LIMITATION ON ADMINISTRATIVE EXPENSES**

19 Nothing in this Act shall be so construed as to prevent
 20 the Commodity Credit Corporation from carrying out any
 21 activity or any program authorized by law: *Provided*, That
 22 not to exceed ~~(29)\$39,600,000~~ \$42,771,000 shall be avail-
 23 able for administrative expenses of the Corporation: *Pro-*
 24 *vided further*, That \$1,000,000 of this authorization shall be
 25 available only to expand and strengthen the sales program of

1 the Corporation pursuant to authority contained in the
 2 Corporation's charter: *Provided further*, That not less than
 3 7 per centum of this authorization shall be placed in reserve
 4 to be apportioned pursuant to section 3679 of the Revised
 5 Statutes, as amended, for use only in such amounts and at
 6 such time as may become necessary to carry out program
 7 operations: *Provided further*, That all necessary expenses
 8 (including legal and special services performed on a contract
 9 or fee basis, but not including other personal services) in
 10 connection with the acquisition, operation, maintenance,
 11 improvement, or disposition of any real or personal property
 12 belonging to the Corporation or in which it has an interest,
 13 including expenses of collections of pledged collateral, shall
 14 be considered as nonadministrative expenses for the purposes
 15 hereof(30):~~*Provided further*, That no funds appropriated~~
 16 ~~in this section shall be used to process a Commodity Credit~~
 17 ~~loan which is in excess of \$50,000: *Provided further*, (1)~~
 18 *That no part of this authorization shall be used to formulate*
 19 *or carry out a price support program for 1960 under which*
 20 *a total amount of price support in excess of \$50,000 would be*
 21 *extended through loans, purchases, or purchase agreements*
 22 *made or made available by Commodity Credit Corporation*
 23 *to any person on the 1960 production of all agricultural com-*
 24 *modities, (2) That the term "person" shall mean an indi-*
 25 *vidual, partnership, firm, joint-stock company, corporation,*

1 association, trust, estate, or other legal entity, or a State,
 2 political subdivision of a State, or any agency thereof, (3)
 3 That in the case of any loan to, or purchase from, a coopera-
 4 tive marketing organization, such limitation shall not apply
 5 to the amount of price support received by the cooperative
 6 marketing organization, but the amount of price support
 7 made available to any person through such cooperative mar-
 8 keting organization shall be included in determining the
 9 amount of price support received by such person for purposes
 10 of such limitation, and (4) That the Secretary of Agriculture
 11 shall issue regulations prescribing such rules as he determines
 12 necessary to prevent the evasion of such limitation.

13 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
 14 FOR COSTS OF SPECIAL ACTIVITIES

15 To reimburse the Commodity Credit Corporation for
 16 authorized unrecovered costs through June 30, 1959 (in-
 17 cluding interest through date of recovery), as follows: (1)
 18 \$63,875,000 under the International Wheat Agreement Act
 19 of 1949, as amended (7 U.S.C. 1641-1642); (2) \$104,-
 20 508,000 for commodities disposed of for emergency famine
 21 relief to friendly peoples pursuant to title II of the Act of
 22 July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724);
 23 (3) \$968,016,000 for the sale of surplus agricultural com-
 24 modities for foreign currencies pursuant to title I of the Act
 25 of July 10, 1954, as amended (7 U.S.C. 1701-1709); (4)

1 \$35,000 for grain made available to the Secretary of the
2 Interior to prevent crop damage by migratory waterfowl
3 pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446) ;
4 (5) \$129,000,000 for strategic and other materials acquired
5 by the Commodity Credit Corporation as a result of barter
6 or exchange of agricultural commodities or products and
7 transferred to the supplemental stockpile pursuant to Public
8 Law 540, Eighty-fourth Congress (7 U.S.C. 1856) ; (6)
9 \$1,056,500 for transfers to the appropriation "Diseases of
10 animals and poultry" pursuant to authority contained under
11 such head in the Department of Agriculture and Farm Credit
12 Administration Appropriation Act, 1959; and (7) \$1,607,-
13 000 for transfers to the appropriation "Marketing research
14 and service" pursuant to the Act of August 31, 1951 (7
15 U.S.C. 414a) , for grading tobacco and classing cotton with-
16 out charge to producers, as authorized by law (7 U.S.C.
17 473a, 511d).

18 TITLE III—RELATED AGENCIES

19 FARM CREDIT ADMINISTRATION

20 Not to exceed \$2,125,000 (from assessments collected
21 from farm credit agencies) shall be obligated during the
22 current fiscal year for administrative expenses.

1 FEDERAL FARM MORTGAGE CORPORATION

2 The Federal Farm Mortgage Corporation is authorized
3 to make such expenditures, within available funds and in
4 accordance with law, as may be necessary to liquidate its
5 assets: *Provided*, That funds realized from the liquidation
6 of assets which are determined by the Board of Directors
7 to be in excess of the requirements for expenses of liquida-
8 tion shall be declared as dividends which shall be paid into
9 the general fund of the Treasury.

10 TITLE IV—GENERAL PROVISIONS

11 SEC. 401. Within the unit limit of cost fixed by law,
12 appropriations and authorizations made for the Department
13 under this Act shall be available for the purchase, in addition
14 to those specifically provided for, of not to exceed four
15 hundred and twenty-five passenger motor vehicles, of which
16 four hundred and twenty-three shall be for replacement
17 only, and for the hire of such vehicles.

18 SEC. 402. Provisions of law prohibiting or restricting
19 the employment of aliens shall not apply to employment
20 under the appropriation for the Foreign Agricultural Service.

21 SEC. 403. Funds available to the Department of Agri-
22 culture shall be available for uniforms or allowances therefor

1 as authorized by the Act of September 1, 1954, as amended
2 (5 U.S.C. 2131).

3 SEC. 404. No part of the funds appropriated by this
4 Act shall be used for the payment of any officer or employee
5 of the Department who, as such officer or employee, or on
6 behalf of the Department or any division, commission, or
7 bureau thereof, issues, or causes to be issued, any prediction,
8 oral or written, or forecast, except as to damage threatened
9 or caused by insects and pests, with respect to future prices
10 of cotton or the trend of same.

11 SEC. 405. Except to provide materials required in or
12 incident to research or experimental work where no suitable
13 domestic product is available, no part of the funds appro-
14 priated by this Act shall be expended in the purchase of
15 twine manufactured from commodities or materials produced
16 outside of the United States.

17 SEC. 406. Not ~~(31)~~less more than \$1,500,000 of the
18 appropriations of the Department for research and service
19 work authorized by the Acts of August 14, 1946, July 28,
20 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629;
21 72 Stat. 1793), shall be available for contracting ~~(32)~~ex-
22 ~~grants~~ grants in accordance with said Acts.

23 SEC. 407. No part of any appropriation contained in this
24 Act or of the funds available for expenditure by any cor-
25 poration or agency included in this Act shall be used for

1 publicity or propaganda purposes to support or defeat legis-
2 lation pending before the Congress.

3 This Act may be cited as the "Department of Agricul-
4 ture and Farm Credit Administration Appropriation Act,
5 1960".

Passed the House of Representatives May 20, 1959.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments June 3, 1959.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 1959

Ordered to be printed with the amendments of the
Senate numbered

Mr. President, I repeat, here on the floor of the Senate, that there needs to be a full-scale investigation into the egg brokerage business, because there is a big, big difference between what happens at the henhouse and what happens at the supermarket. Believe me, Mr. President, as I said earlier, the only one who processes an egg is a hen. That is not a matter of processing or wrapping or advertising. An egg is an egg; and eggs are classified on the basis of whether they are small size, pullet, middle, random, large, or super large—king size. Mr. President, if you get a king-size egg, you have to pay a pretty good price for it. But I wish to say that some of our queen-size hens that make these king-size eggs are not getting king-size payments for their work beyond the call of duty. [Laughter.]

All I am asking for is that the Department of Agriculture, as it proceeds with this belated, tardy program of egg purchases, do something for the egg producers, for the farmers, and do it before it is too late.

So I give a word of thanks to the Secretary of Agriculture for having been convinced by some of my colleagues from New Jersey and elsewhere. Some of us from the Middle West are not so persuasive. I started working on the Secretary away back in April. However, I hope that my persistence was a part of the general effort which moved the Secretary to some belated action.

If the Secretary or anyone else wishes any figures in regard to grain prices, we can provide them.

Let me add that it makes little difference how much lower the price of grain goes; that will not help the predicament of the poultry farmer, because his prices have already fallen to a disastrously low level. What is needed is a better poultry and egg market.

UNIFORM STANDARDS OF UNEMPLOYMENT BENEFIT PAYMENTS SHOULD BE ESTABLISHED AT THE FEDERAL LEVEL

Mr. McNAMARA. Mr. President, I hold in my hand an excerpt from the morning ticker which deals with a statement, attributed to the President of the United States, in regard to unemployment. This news item begins as follows:

Jobless benefits: Eisenhower said he signed a bill recently to increase pension and unemployment benefits of railroad workers because after very careful study he concluded that it was a well balanced measure.

But the next paragraph of the ticker item reads as follows:

But as for extending more liberal unemployment benefits to all other workers, the President made it clear he still feels that is a job which the States should handle primarily. He recalled that he has urged repeatedly that the States adopt uniform standards with longer duration of benefit payments.

Mr. President, I think all of us agree that uniform standards should be adopted; I think the President was absolutely correct.

But I do not know how uniform standards can be adopted without having it done at the Federal level.

I am surprised at the statement, attributed to the President, that so far as unemployment insurance or unemployment benefits are concerned, they should be left to the States. It seems to me that is about the only area as to which that kind of thinking is being engaged in.

We are about to launch a program of increasing the interest on Government bonds; and apparently the ways are pretty well greased to shoot that program into operation in a hurry. I think this shows a great concern for the money-lenders and a great concern for the Wall Street crowd. When we consider unemployment programs and economic programs to make work, then consideration for the people should be shown. It seems to me that we should attack this problem at the national level.

Unemployment insurance has always been a joint program as between the Federal Government and the States. I could not disagree more with the President's statement in which he said that it should be left to the States. I think we should show a little more concern in this Congress particularly for the problems of the people. We show so much concern about the problems of the great financial institutions of the country.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the agreement entered yesterday, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado [Mr. ALLOTT] to reconsider the vote agreeing to the so-called O'Mahoney amendment on page 15, line 25.

Mr. ALLOTT. Mr. President, I withdraw my motion and call up the amendment which I have at the desk, which I offer on behalf of myself and the junior Senator from Colorado [Mr. CARROLL].

The PRESIDING OFFICER. The amendment offered by the senior Senator from Colorado for himself and the junior Senator from Colorado will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 15, in line 25, after the comma following the figure, to insert the following: "of which \$15,000 shall be avail-

able for range and feedlot market reporting in Colorado and adjacent areas and."

Mr. ALLOTT. Mr. President—

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. RUSSELL. Mr. President, information has come to me that those in charge of the market reporting service in the Department of Agriculture regard the proposed reporting service as a very important activity. It is in category 1. The witnesses for the Department did not apprise us of that fact when they were before the committee. They were asked about this specific project, and did not then tell us it was classified in category 1.

Other items involving category 1 marketing reports were disallowed by the committee. For that reason, I have suggested to the two Senators from Colorado that they content themselves with a bare-bones operation for the next year, which would be involved in this \$15,000 item. However, there would be nothing which would prevent the Department from allowing more than \$15,000 for this service.

I think I should say for the record that I have been told by responsible officers of the Department that they could carry on this work with \$17,000. If they desired, of course, they could allot other funds for this purpose.

In view of the extraordinary conditions affected by this amendment, I shall take the "dangerous" step of accepting it and taking it to conference and seeing what we can work out.

I hope those who have offered proposals as to other items which the committee has been unable to accept will understand that this project is in a somewhat different category, because it has been in operation for 2 years on an experimental basis and financed from research funds. Unless I accept the amendment, those involved will be deprived of a service they have already enjoyed. As to other activities for which we have declined to make provision, those interested in them have not tasted of the enjoyment of having a marketing service, and perhaps they will not be too bitter about being requested to wait for another year.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield to the junior Senator from Colorado.

Mr. CARROLL. I agree with the statement of the Senator from Georgia that this item is in a different category. There were some errors made in not making a proper presentation when the testimony was given before the committee. I thank the senior Senator from Georgia for his fair consideration of this proposal.

Mr. ALLOTT. Mr. President, from the colloquy had yesterday, as to the nature of the amendment, I feel the record is complete, so I shall not burden the Record further. I believe, however, I should say, in all seriousness, the service referred to is considered to be a very, very necessary part not only of the livestock industry in Colorado and the ad-

jacent area, but also the agricultural community as a whole.

To the Senator from Georgia let me say that I appreciate his taking the steps which he has taken in accepting this amendment, which I hope we shall be able to hold in conference, because I know that what he said yesterday, even though perhaps it was not pleasing to me, was based upon the high principles which always govern him in these matters, and for which he has been noted throughout his entire career. So I express my appreciation to him.

Mr. RUSSELL. I thank the Senator.

Mr. President, I yield back any time that may remain in opposition to the amendment.

Mr. ALLOTT. Mr. President, I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Colorado [Mr. ALLOTT] for himself and the junior Senator from Colorado [Mr. CARROLL].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS of Delaware. Mr. President, I call up the amendment which I have at the desk, identified as "6-2-59-B." I ask the clerk to read it with the modification that the last figure be \$375 million, which was intended.

The PRESIDING OFFICER. The amendment of the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. It is proposed on page 19, line 6, strike out the figure "\$450,000,000" and insert in lieu thereof "\$375,000,000."

Mr. WILLIAMS of Delaware. Mr. President, this amendment deals with the expenditures under the soil bank program. The bill as reported by the committee provides for \$450 million.

That represents an increase of \$125 million over the House figure and \$75 million over the budget estimate. It proposes to spend \$75 million more for this programs next year than is even recommended by the budget.

Personally, I think the whole soil bank program, from its inception, has been a failure and that it would be much better to strike the provision for it from the law. I do not think it has accomplished the purpose for which millions of dollars are being expended. We should not be paying \$300 million or \$400 million to take acreage out of production particularly in view of the fact that the Senate has on numerous occasions appropriated millions of dollars to other agencies to bring new acreage into production.

If we stop this contradiction we could save billions and have a better farm program.

Only yesterday the Senate agreed to an additional \$250 million to increase the fertility of the acreage already in production. Certainly, if we do not stop this kind of procedure these contradictory programs are going to bankrupt us.

It appears evident that we are making a mistake on this program. It has been criticized by practically all Members of

the Senate. I do not think anyone today would defend the program as being a workable one. Certainly we should not put \$75 million more in this program, which is an admitted failure, than even the Department wants.

I hope the chairman of the subcommittee will accept the amendment.

Mr. RUSSELL. Mr. President, I regret very much that I must decline the kind invitation extended by the distinguished Senator from Delaware. I cannot accept the amendment. I appreciate the Senator's courtesy in calling it to my attention and inviting me to accept it. I wish I could agree with the Senator. It is always pleasant to agree with one's colleagues. However, I cannot accept the amendment.

We are dealing with only one stage of the legislative process when we consider these matters on the floor of the Senate. This item still must go to conference. The other body reduced the program authorization for next year \$50 million below the budget estimates. Judging from my experience in the past I rather suspect the Senate will be compelled to yield a part of the recommended \$450 million in the conference.

The committee has taken action on the matter by a vote in the subcommittee and in the full committee. Under the circumstances, as much as I appreciate the courtesy and ability of the distinguished Senator from Delaware, I do not feel I could on my responsibility accept this amendment.

Mr. WILLIAMS of Delaware. Mr. President, may I ask how much time there is remaining to each side?

The PRESIDING OFFICER. The Senator from Delaware has consumed 2 minutes, and the chairman of the subcommittee has consumed 1 minute. The Senator from Delaware has 13 minutes remaining.

Mr. WILLIAMS of Delaware. Mr. President, the debate on the amendment will be very brief. This is a very simple amendment and merely boils down to a question of how enthusiastic we are for the soil bank program. In particular, do we wish to compel the administration to spend \$75 million more than is even recommended?

I think we are practically ready to vote. If it is all right with the chairman of the subcommittee, I am going to suggest that we have a quorum call with the time not charged to either side, in order to get Members to the Chamber. I should like to have a yea and nay vote.

I think we can vote very promptly.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time necessary for the call of the roll not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on my amendment.

Mr. RUSSELL. Mr. President, I hope the yeas and nays may be ordered on the Senator's amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the Senator from Delaware and the Senator from Georgia yield back the remainder of their time?

Mr. WILLIAMS of Delaware. I yield first to the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I shall take only a moment before the remainder of the time is yielded back.

I invite the attention of Senators to the fact that this item relates to the last year of the conservation reserve program. This is an authorization for that program, with respect to which the budget estimate was \$375 million. That has been increased to \$450 million by the Senate committee. That is \$125 million above the House figure, as I understand. I think it would be rather singular if we were to undertake to approve the Senate committee figure, under the circumstances, when it is so much in excess of the House figure, and \$75 million above the budget estimate.

It has been pointed out that some farmers could not get in under the program heretofore, because of the contention that the funds for the 1959 program were inadequate. But this is the last year. The program will go out of business. I am sure that the Budget Bureau and the House have gone into this subject very thoroughly. I believe we should sustain the budget figure. I hope the amendment of the Senator from Delaware will prevail.

Mr. RUSSELL. Mr. President, I desire to take a few minutes of my time.

I would like to point out that if this program were to be extended over a period of years, as the President requested in his message to the Congress of January 29, 1959, it would cost a great deal more than \$450 million. From all I have been able to ascertain it is very obvious that there is no possibility whatever that this program will be extended as has been requested by the President in his message.

The committee was attempting to carry out the philosophy of the President's message by raising this sum to \$450 million. I am somewhat astonished that the senior Senator from Illinois did not take cognizance of that fact.

The bill has not yet become a law. It must run all the hazards of conference. It is highly unlikely that we shall be able to preserve the figure of \$450 million in conference. If we were to reduce the figure of \$375 million, we would not be able to preserve that figure.

When dollars and cents are involved, a conference becomes a matter of give and take. We must give as much as we are able to take. It is not like a conference on the language of a provision of a bill—which can be rewritten. But when dollars and cents are involved, we cannot

expect either body of Congress to yield completely to the other.

In my opinion the committee was completely justified in its action. I hope the Senate will support the action of the committee.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HOLLAND. Is it not true that action by the other House would have reduced the program to a program to be carried out within 5 years, and would have excluded the 10-year program?

Mr. RUSSELL. That is true.

Mr. HOLLAND. The action of our committee was to restore the 10-year program, which was, in effect, restoring reforestation and the objectives to be covered by the bill.

Mr. RUSSELL. The 5-year limitation, which we eliminated in committee, is not involved in the pending amendments. But the reforestation program is involved in the pending amendment which would cut the authorization by \$75 million.

Mr. HOLLAND. It is a fact that the action of the committee in continuing the reforestation program by changing the 5-year limitation to a 10-year limitation means that if we are to have true reforestation contracts, we must have the money to support such contracts.

Mr. RUSSELL. There can be no question about that. If the House figure were to prevail, there would be an allocation of only 2,300,000 new acres for the conservation reserve program next year. I point out that we cannot justify the expenditure of this large administrative fund on such a small acreage.

Mr. HOLLAND. Is it not true that this is one of the effective methods still left open to us by which, in taking tilled land out of production, we are making a definite approach to wiping out continued farm surpluses?

Mr. RUSSELL. With the Department pursuing its policy in so many areas of removing planting restrictions, this is the only program that I know of that we can hope to use to take acreage out of production of those commodities which are proving to be such a glut on the market.

Mr. HOLLAND. I thoroughly approve the Senator's answer. My view, in supporting writing into the bill the full authorized amount of \$450 million, is that this is the most effective blow we shall have an opportunity to strike for the discontinuance of increasing surpluses in farm production during this session of Congress.

Mr. RUSSELL. This is the only opportunity we shall have.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LANGER. Was the action of the committee unanimous?

Mr. RUSSELL. As I recall, it was not unanimous, but it was practically so. The vote was more than 2 to 1. There was a show of hands. Those who expressed any doubt did not even request a rollcall. I think there were two or three objections in the committee. However, I hope the Senator will bear

in mind that this is a large committee, with a membership of 27.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I listened to the colloquy between the Senator from Florida and the Senator from Georgia. I fully agree with the expressions made by the Senator from Georgia in response to the questions of the Senator from Florida.

The entire authorization is needed. It is more needed this year than it was last year. As the Senator has pointed out, when we eliminate acreage controls and rely on only one mechanism to reduce production, namely, lower supports, there must be something to absorb some of the marginal land, which has been repeatedly put into production, thereby increasing the surpluses which the Commodity Credit Corporations owns.

This program, besides affording control over production, represents a sincere and consistent effort at real service. The more farm people we can bring into the conservation reserve program over an extended period of years, the better our conservation program will be.

This is not a year-to-year program. In many instances these contracts run for 10 years or longer.

As the Senator from Georgia has pointed out, what we are doing is merely fulfilling the authorization which Congress once made, in the light of the program laid down by the experts in the Department.

I support the action of the committee. I hope the amendment of the Senator from Delaware—offered, of course, in good faith—will be defeated, in equally good faith, by a resounding majority.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator yield back the remainder of his time?

Mr. WILLIAMS of Delaware. I should like to take a little time to point out again that we are dealing with the soil bank program. What the bill proposes to do is to spend \$75 million more than the amount which has been recommended by the Bureau of the Budget. Remember this is a program which has been very much criticized by many Members of the Senate on both sides of the aisle. Only yesterday I heard one of the orators on the other side of the aisle refer to the program as the Eisenhower golf club program. He said it was of benefit primarily to the golf clubs, the rich men's clubs. Today we have a chance to vote to cut back the program. I wonder how he will vote today. Let the RECORD show that as we vote on the soil bank program, we are voting on not only its merits but also on the question of approving it to an extent beyond even that visualized by the administration. The committee bill would provide \$75 million more than even the administration believes should be spent on the program.

Let us make this issue very clear, Mr. President. Personally, I believe that the soil bank program should be rolled back even more than the amendment proposes. In my opinion, it has been a failure. I do not believe we can justify

spending \$450 million of the taxpayers' money for this program, which takes land out of production, especially when we are going to spend through another agency hundreds of millions of dollars for bringing new land into production. If we reject the pending amendment, we will not only be approving the soil bank program but also be approving it to an extent far beyond that which is recommended by the administration. Seventy-five million dollars are involved in the amendment. All the amendment proposes to do is to bring the program back to the minimum of the budgetary estimates. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a report as furnished by the Comptroller General of the United States in which he points out certain specific examples of abuses under the soil bank program. This is further evidence in support of the contention that by all means this program should be cut back.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LAND DIVISIONS—HIDALGO COUNTY, TEX.

Case No. 1: In 1957, a 6,500-acre tract of land was divided into 12 parcels and sold. Acreage on 11 of these parcels was subsequently placed in the conservation reserve program for a period of 10 years. The annual payments on the conservation reserve contracts amount to \$44,600, or a total for the 10-year contract period of about \$446,000.

In addition, acreage reserve program contracts amounted to \$64,800, and estimated practice payments amounted to \$35,200 on these properties through 1958. Other information pertaining to the transactions follows:

1. No downpayments were required of the purchasers.

2. There is evidence that the purchasers were required to obtain maximum payments under the soil bank programs and assign the payments against the purchase price.

3. In October 1958, 5 of the 11 parcels were refinanced and the annual installments payable by the purchasers were reduced to \$5,000, the maximum amount a producer may receive under the conservation reserve program. The reduction of annual installments coincided with the discontinuance of the acreage reserve program.

4. Two of the purchasers were shown as doctors.

Case No. 2: Division of this tract of land totaling about 16,000 acres began in 1956. Sales were generally made on the same terms as those outlined in case No. 1. In 1958, 23 separate pieces of this tract had been entered into the conservation reserve program under 10-year contracts. The annual payments on these contracts amount to \$105,000, or a total for the 10-year period of the contracts of about \$1,050,000.

In addition, acreage reserve program contracts amounted to \$131,000, and estimated practice payments amounted to \$40,800 on these properties through 1958.

PRELIMINARY RESULTS OF CURRENT REVIEW OF 1959 CONSERVATION RESERVE PROGRAM

1. In Curry County, N. Mex., 2,600 acres of a 3,600-acre farm were divided into five parcels and sold in 1957. The sale was contingent upon the purchasers' execution of 10-year conservation reserve contracts. Annual conservation reserve program payments on these five parcels total \$21,000.

2. We found 12 instances in Curry County, N. Mex., where land leased from the State had been placed in the conservation reserve program. In one of these instances, about

550 acres leased for 25 cents an acre was placed in the conservation reserve program at an annual rental rate of \$9 per acre. Detailed information as to acreage and rental rates is being developed on the remaining cases.

3. In Bottineau County, N. Dak., the land value estimates established by the county committee and used in establishing the payment rates appear high based on our review. The county committee established a value of \$65 per acre for land of average productivity, whereas the average per acre sales price of 52 farmland sales since 1956 was \$48, including buildings and wasteland.

In one case, a 600-acre farm, including buildings, was purchased in 1956 for \$19,000. If the purchase price of \$19,000 was considered applicable only to the 530 acres classed as cropland, the value per acre would be only \$36 compared to the value of \$65 assigned by the county committee.

4. Our review to date in two counties in North Dakota has not disclosed evidence of land divisions to avoid the \$5,000 payment limitation.

Mr. RUSSELL. I yield back the remainder of my time. I assume all time has been yielded back.

The PRESIDING OFFICER. That is correct.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the amendment of the Senator from Delaware [Mr. WILLIAMS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. MOSS] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business as a Member of the U.S. Committee of the Atlantic Congress.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is necessarily absent.

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Kentucky would vote "yea."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from West

Virginia [Mr. RANDOLPH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business.

The Senator from Kentucky [Mr. MORTON] is necessarily absent and is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting the Senator from Kentucky would vote "yea" and the Senator from Indiana would vote "nay."

The result was announced—yeas 37, nays 48, as follows:

YEAS—37

Allott	Dirksen	Pastore
Anderson	Douglas	Prouty
Bartlett	Dworshak	Robertson
Beall	Frear	Saltonstall
Bennett	Goldwater	Schoeppel
Bridges	Hickenlooper	Scott
Bush	Hruska	Smathers
Butler	Javits	Smith
Byrd, Va.	Keating	Thurmond
Caphart	Kuchel	Williams, Del.
Case, N.J.	Lausche	Young, Ohio
Cotton	Martin	
Curtis	Muskie	

NAYS—48

Aiken	Hart	Monroney
Bible	Hayden	Morse
Byrd, W. Va.	Hill	Mundt
Cannon	Holland	Murray
Carlson	Humphrey	Neuberger
Carroll	Jackson	O'Mahoney
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S.C.	Russell
Cooper	Jordan	Sparkman
Eastland	Kerr	Stennis
Ellender	Langer	Symington
Engle	Magnuson	Talmadge
Ervin	Mansfield	Wiley
Fulbright	McCarthy	Williams, N.J.
Gore	McGee	Yarborough
Gruening	McNamara	Young, N. Dak.

NOT VOTING—13

Case, S. Dak.	Hennings	Morton
Chavez	Kefauver	Moss
Dodd	Kennedy	Randolph
Green	Long	
Hartke	McClellan	

So the amendment of Mr. WILLIAMS of Delaware was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RUSSELL. Mr. President, I desire to offer a clarifying amendment. On page 4 there is an item of \$1 million for the Agricultural Research Service, to provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field.

Under the language of the proviso, there would be a restriction on the type of services to which this appropriation would be applicable. Therefore, I ask that after the word "Service," in line 15, the words "in Departmental research programs" be added. This is a clarifying amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I submit the amendment which I send to the desk and ask to have stated. Copies of the amendment have been prepared, and I ask that they be distributed to other Senators.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 30, in line 10, it is proposed to strike out

the period at the end thereof, and insert in lieu thereof a colon and the following:

Provided, That in carrying out price support programs required by law no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price support operations for any crop planted after January 1, 1960, for which expected production for such year exceeds domestic consumption plus exports by more than 3 per centum and for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949, as amended.

Mr. DOUGLAS. Mr. President, if this amendment is adopted and carried into effect by the Secretary, in my judgment, it will save approximately \$1 billion in the fiscal year running from July 1, 1960 to June 30, 1961. I believe the adoption of the amendment is also necessary in order to save the farm program from the hands of Secretary Benson.

The amendment provides:

That in carrying out price support programs required by law—

And most agricultural commodities do have a price-support program required by law—

no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price support operations for any crop planted after January 1, 1960, for which expected production for such year exceeds domestic consumption plus exports—

Including those under Public Law 480—by more than 3 per centum and for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949, as amended.

Mr. President, all of us know that the surpluses of agricultural commodities have increased under Secretary Benson from \$2,450 million worth when he came into office in 1953 to \$9 billion worth at the present time, and all predictions are that this amount will increase next year to \$11 billion, \$12 billion, or \$13 billion worth, or possibly even more than that, depending upon the weather.

I think the basic reason why that has happened has been Mr. Benson's erroneous price theory.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Mr. President, I wish to complete my statement; and then I shall yield.

MR. BENSON'S MISTAKEN PRICE THEORY

Mr. Benson's price theory, which has been adopted by the President, is that firstly, lower prices for agricultural products will bring such an increased demand for those products as to provide the farmers with a higher total income. He also believes secondly, that lower prices for farm products will decrease the production of those products, and thus there will be an effective and proper equilibrium between supply and demand.

Let me say that I believe this theory of his is mistaken on both counts, because a reduction of agricultural-commodity prices does not appreciably stimulate de-

mand, for two reasons: first, it is not passed on to any real degree to the consumers; second, even if it were passed on to the consumers, since the demand for food is inelastic, there will not be a great increase in the quantities demanded. Next, I think experience has taught us that a reduction in the price per unit of agricultural commodities will in most cases cause farmers to produce more, rather than less, because in order to meet their fixed costs of taxes, interest, depreciation, time payments, and so forth, they will work harder to produce more bushels and more pounds, in an effort to offset the decrease in the prices per bushel and per pound.

PRICE SUPPORTS WITHOUT PRODUCTION
LIMITS IS IRRESPONSIBLE

Furthermore, Secretary Benson has, in the case of grain and other feed crops, fixed a price-support program without any attempt to reduce the quantities which will be produced. In fact, he has fixed, for corn, for the current year, a price of between \$1.12 and \$1.13 a bushel; and he will pay that amount to all farmers regardless of the quantities of grain they produce. In other words, the sky will be the limit; he has thrown everything open. The result is already being seen: The acreage planted to corn this year is very much greater than the acreage planted to corn last year. Yesterday, the Senator from Minnesota [Mr. HUMPHREY] said that the acreage planted to corn this year will be close to 90 million acres, instead of 72 million acres last year. Reports which I have received from seed firms in Illinois are that the sale of seed is very much greater this year than it was last year; and that if the weather is at all favorable, there will be, not 3.3 billion bushels of corn, but many hundreds of millions of bushels more; and the Government will have to take the corn at \$1.12 a bushel. So the surpluses will increase enormously.

What the Secretary has done in the case of corn, he has also done in the case of certain other agricultural commodities, such as feed grains, including grain sorghums, oats, rye, barley, and also for soybeans, honey, tung nuts, cottonseed, flaxseed, and dried edible beans. The effect of these actions by the Secretary is to provide an open end program under which he agrees to buy, and the country to pay for, everything in these products the farmers grow. I think that will cause the expenditure of unnecessary hundreds of millions of dollars. In my judgment, unless this program is reversed next year, the cost will be \$1 billion greater than they have been in past years.

My amendment is designed to strike at this discretionary power of the Secretary, be providing that when he establishes price supports under the law he must also impose some restrictions upon production as required in section 401(c) of the Agriculture Act of 1949.

I know that a technical objection has been raised; it has been said by some, "Well, in that event, the Secretary will not put price supports into effect, and he will not put acreage restrictions into effect; and then the whole program will go down the drain."

Certainly that is not my intention, Mr. President. Although I do not pretend to be an expert on all the facets of this complex subject, we have had the laws examined very carefully, overnight; and if the amendment is read carefully, it will be seen that in the case of support programs required by law, the Secretary will have to provide acreage allotments, if funds are to be paid from the Commodity Credit Corporation.

AMENDMENT WOULD NOT ALLOW SECRETARY TO
JUNK PROGRAM

Some may say the Secretary could use the amendment to junk the programs, and, by failing to provide acreage allotments, he would not have to pay price supports. I do not believe this to be the case. For most of the open ended crops, the Secretary must set price supports. They are required by law. Since he must set supports and pay the sums from CCC funds, he will have to provide acreage allotments, if my amendment is adopted.

I have prepared a table, by crops, of present support levels in the law. I shall merely refer to corn, which is the leading commodity. The present support level is 66 percent, or \$1.12.

The law provides that in the case of corn the price must be set at 65 percent of parity or 75 percent of the market price of the past 3 years, whichever is higher.

Barley, oats, rye, and grain sorghums are tied to the corn price, so what holds for corn applies to these other crops. Cottonseed, soybeans, flaxseed, and inedible beans are tied together. Honey has a mandatory price provided of 60 percent of parity, and for 1959 the price has been established at 60 percent for extracted honey.

The law provides that the price of tung oil shall not be less than 60 percent, but must be 65 percent if the supplies of tung oil are not excessive.

In short, on close examination of the various acts, it will be seen that not even Ezra Taft Benson can escape from the provisions of the amendment, and cannot use the terms of my amendment as a means of nullifying this program.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes; I am glad to yield.

Mr. HUMPHREY. I should like to call attention to the language in the fourth line from the bottom of the Senator's amendment, which relates to excess or surplus commodities. It reads, "plus exports by more than 3 percentum." It seems to me the Senator's amendment would be better if the language were "plus exports plus a supply for 3 months," or a certain period of time, because, I say, most respectfully, the provision of 3 percent would leave the consumer pretty much at the mercy of a very tight market at all times.

Mr. DOUGLAS. I point out that the language relates to expected production, and not to existing stocks. The stocks of all these commodities are very ample, as the Senator well knows.

In the case of corn, the supply in CCC loans and storage amounts to 1,571 million bushels.

In the case of barley, the supply is 159 million bushels.

In the case of grain sorghums, the supply is 302 million hundredweight.

In the case of oats, the supply is 104 million bushels.

In the case of soybeans, the supply is 134 million bushels.

I think the existing CCC supplies are ample, so we can apply this test to the current production.

Mr. HUMPHREY. The only other factor I desire to bring to the attention of the Senator is what we call the normal set-asides or reserves which are specified in existing law. For example, a certain percentage of the annual production—I think it is 15 percent for wheat—is called a reserve or set-aside, as a sort of cushion for national emergency uses. I would hope the language likewise could be in terms of what the supply qualifications are based on. In other words, what is a surplus and what is a set-aside? A set-aside cannot be called a clear surplus, if it is a legitimate percentage of set-aside or surplus for national emergency purposes.

Mr. DOUGLAS. If there were no surplus, the Secretary would not be required to put into effect acreage allotments.

Mr. HUMPHREY. My point relates to the definition of "surplus." The word "surplus" I think should be defined as that amount which is over and beyond the necessary requirements for domestic consumption and the estimate of normal exports, plus the set-asides or reserves which are required for national security or national emergency purposes.

What I am worried about is that sometimes when we define "surpluses" we think it includes everything which is in the warehouses, private or public, over normal exports and domestic consumption, when, in fact, there is provided in the law, which has been in existence since 1938, and which has been amended a couple of times, a provision for set-asides and reserves for national security and national emergency purposes and national disasters. It is 15 percent or 20 percent of certain crops. The percentages vary depending on the basis of the estimated needs in case of national disaster.

Mr. DOUGLAS. In other words, does the Senator from Minnesota assert that the supplies of corn and other feed grains—barley, grain sorghums, oats, and rye—are not excessive?

Mr. HUMPHREY. I am sure the stocks of corn are excessive, obviously. I say the stocks of wheat, for example, are excessive. I do not believe the stocks of oats or barley or soybeans would be considered to be excessive, because those are variable crops, and they are crops, by the way, as to which the production pattern goes up and down. Are there 120 million bushels of soybeans in supply?

Mr. DOUGLAS. There are 134 million bushels of soybeans.

Mr. HUMPHREY. That is more than we have had in the past.

I understand the acreage planted to soybeans this year is going down, primarily because of the corn program. Acreage is being shifted from the production of soybeans to corn because of

the guaranteed price on corn. All I am saying is that, when reference is made to surpluses of soybeans, there must be considered the domestic soybean consumption—which the amendment covers—normal exports—which the amendment covers—plus what is needed for a set-aside. Perhaps the set-aside would be only 15 or 20 million bushels; but, whatever it is, it should be evaluated.

Mr. DOUGLAS. Mr. President, in order to make my meaning clear—and my meaning is intended to be, roughly, what the Senator from Minnesota has stated—I ask to modify my amendment by including the word “normal” between the words “plus” and “exports,” and to include after the word “exports,” the phrase, “plus set-asides required by law for national emergency purposes.”

Mr. HUMPHREY. That would considerably strengthen the amendment.

AIM IS TO SAVE FARM PROGRAM AT LESS COST

Mr. DOUGLAS. I so modify my amendment. I think it would meet the objection of the Senator from Minnesota. I think he has made a very valuable suggestion. These are highly complicated subjects. What I am trying to do is to turn the spigot off in future years. I want to save the farm program, particularly for the low income farm and the farm family. I think ultimately we shall probably have to shift to a system of supporting incomes, with a limitation on the amount of income which is supported, rather than a system of support prices, in order to maintain the family farm. It may not always be the most efficient farm unit, although there are now numerous studies to show that it may well be as efficient as the huge corporate farms, but it is the most efficient social unit in which children may grow up.

I think the program can be carried into effect at a much lesser cost than the present farm program, which seems to be running about \$3 billion a year in CCC losses, and which next year may run at the rate of from \$4 billion to \$5 billion. I think we can provide a decent farm program at a cost of not more than \$2 billion a year, and that we can effect savings and at the same time rescue the farm program from the hands of Secretary Benson, who I am convinced is trying to wreck the program by guaranteeing price supports without any restrictions on production. Finding himself swamped with corn, he will say to Congress and to the country next year: “The program has broken down, and we must eliminate it completely.” Unless we take protective steps now, he is likely to face us next winter with precisely such a suggestion.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. The Senator's purposes are exactly right. From my point of view the Senator is surely to be commended, because what the present situation will lead to is exactly what the Senator from Illinois is pointing to not only as a possibility but as a reality.

If the present situation is extended to wheat, as it was to corn—which was the

proposal of the administration—it will lead to unbelievable production and accumulation of surpluses. What the Senator seeks to do by his amendment—and what the Senator is discussing—is to provide some way to shut off unlimited production.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. The Senator would not shut off price supports, provided there are measures of marketing practices, allocations, or restrictions upon production.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The time of the Senator from Illinois has expired.

Mr. DOUGLAS. I ask the majority leader if he will yield me 5 minutes or 10 minutes from the time on the bill.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I know that at the conclusion of a long debate

on a highly complicated measure Members of the Senate may seem puzzled by the submission of this amendment, and, in the absence of specific knowledge, they may be tempted to vote against it on the ground that it may get us into difficulties, although I do not foresee any. We have tried to meet the difficulties in the several days this amendment has been under preparation and discussion. I assure Members of the Senate that we have searched the laws very carefully, and we believe the adoption of the amendment will mean it will not be possible for the Secretary of Agriculture to escape from the provisions.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the tabular study which has been prepared on the basic laws governing these various commodities.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

Crop	Unit of quantity	Present support levels		The law
		Percent	Price	
Barley.....	Bushel.....	60	\$0.77	Feed grain. Tied to corn on a feed value equivalent. 65 percent of parity or 75 percent of the market price of the last 3 years, whichever is higher.
Corn.....	do.....	66	1.12	
Flaxseed.....	do.....	60	2.38	Set at 0 to 90 percent.
Grain sorghums.....	Hundredweight.....	60	1.52	Feed grain. Tied to corn.
Oats.....	Bushel.....	60	.50	Do.
Rye.....	do.....	60	.90	Do.
Soybeans.....	do.....	64	1.85	Tied to cottonseed. If set for one must be set for the other. Legislative history began with Stegall amendment to OPA on cottonseed. Gave price support for long list of commodities. Extended for 2 years following hostility and since by the Agriculture Act of 1948, 1949, etc. Basis is legislative history and the tying to cottonseed.
Cottonseed.....	Ton.....	57	38.00	Cottonseed and soybeans must be related.
Honey.....	Pound.....	60	.082	Mandatory. Minimum of 60 percent of parity and has been established for 1939 for extracted honey at 60 percent—8.2 cents per pound.
Tung nuts.....	Ton.....	165	-----	Law reads not less than 60 percent but must be 65 percent if supplies of tung oil are not excessive. As the latter was imported from China and there is now a small supply, essentially the 65 percent minimum prevails. Designated a nonbasic in Agriculture Act of 1949.
Beans, dry edible.....	Hundredweight.....	60	5.35	Same as cottonseed and soybeans.

¹ Minimum.

EXPENDITURES WILL INCREASE NEXT YEAR

Mr. DOUGLAS. Mr. President, I merely wish to say that if we do not adopt some amendment such as the one I am proposing we will find ourselves committed to the expenditure of a much larger sum of money next year than the \$3 billion for this year; and for the year after next, unless something is done, the expenditures will be still greater.

The Secretary of Agriculture, in fixing price supports without any restriction upon production, violated the most basic rule of farm economics. I have practically never heard anyone advocate price supports without provision for some controls over production. I have heard a few persons advocate such a course, but they have been regarded as extreme leftists, so to speak. Now we have the Secretary of Agriculture adopting a program which only the wildest radicals would put into effect, namely, price supports without any limitation upon the number of bushels which the U.S. Treasury is asked to buy, or must be forcibly fed, so to speak, in unlimited quantity. The only difference is that the Secretary

of Agriculture would fix a low price, whereas some of those who have advocated unlimited production have advocated high price supports. However, the Secretary of Agriculture has really followed the most discredited policy possible in fixing farm prices.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. The Senator is citing the ironical situation of an administration which, on the one hand, talks about wanting to control surpluses and preventing surpluses, and which, on the other hand, actually follows policies and lays down policies which promote the accumulation of surpluses.

Mr. DOUGLAS. The Senator is correct.

Mr. HUMPHREY. I invite the Senator's attention to the fact that one of the reasons why the holdings of the Commodity Credit Corporation are as large as they are today is the unbelievable practices of the Commodity Credit Corporation itself in handling its stores or its stocks. It used to be true, for ex-

ample, with regard to the soybean business, that a private processor or exporter would have his own inventory. Today such an individual simply lets the Government hold the product all the time, which means he does not have to have an inventory. He does not have to have warehouses. The Government has them. The beans go into the warehouse under loan, and if exporter X wishes to make a deal overseas, whether it is a Public Law 480 deal or a cash sale, all he does is go to the Commodity Credit Corporation to get his stocks.

It used to be true that many private grain traders would have their own warehouses, their own elevators, and so on, in which they took care of their own stocks. Today all of them let the Government do it.

Mr. DOUGLAS. Do I correctly understand the Senator from Minnesota to say that Mr. Benson has put into effect a form of socialism in warehousing?

Mr. HUMPHREY. The Senator from Minnesota has said on the floor before that never in the history of this country has agricultural warehousing been closer to socialism than it is today. The Government today is the main warehouse, the main storage depot of commodities not only for public use, but also for private use. It is commonly known in the grain trade that really one is simply not much of a businessman if one is foolish enough to warehouse his own commodities. All one does is let the Government do it for him, and then take the commodities out of the Government bins whenever they are needed. In the meantime, the Commodity Credit Corporation has to pay all the administrative costs which are involved.

This is a part of the problem we face today. This is what the Senator seeks to correct by his amendment.

Furthermore, I wish to point out that the administration low price support program, with no controls, is designed to get rid of the small farmer and to maintain the large farmer, because it is perfectly true that with price supports at 60 percent of parity, in the case of some commodities, if a farmer has a 20,000-acre farm, a 5,000-acre farm, or a 10,000-acre farm, particularly if the farm is an adjunct to a corporation, so that it has the benefit of tax laws and can charge off certain losses, such a farmer can produce by using modern machinery, many millions of bushels at a low price and perhaps make a small profit upon the total operation. However, Mr. and Mrs. Hans Schmidt—who are farming in Brown County, Minn., on 120 acres of land; who are paying taxes at the township level, at the county level, and at the State level; who are paying Federal and State income taxes and excise taxes; who have to buy machinery for the farm; who have to provide for their family; who contribute to the church, contribute to many fraternal societies, and contribute to charitable organizations—have a little tougher time getting by on 60 percent of parity.

What we see is a determined policy on the part of the Government to eliminate what is called the marginal farmer.

Who are the marginal farmers? That is a question to be determined by the omnipotent power in the Department of Agriculture. It is to be determined by what the Department says is marginal. I suppose they use the yardstick of the automobile industry. The only ones which are not marginal are those left, and there are some of those about which they are a bit dubious.

SECRETARY BENSON'S "BARN DOOR" FINANCING

Mr. DOUGLAS. Mr. President, in concluding my argument I wish to say that the administration has made many bitter charges against Congress and against the Democratic Party, alleging we have engaged in back-door financing in that we have guaranteed supports which later called for the expenditure of greater funds than were initially to be appropriated. This has been chiefly true with regard to the farm program, but I want to remind Congress and the country that the farm program now on the books is the product of the Eisenhower administration. They dictated it at the point of the gun. I am glad to say I voted against it. The action of the Secretary of Agriculture in fixing price supports without any control over the quantities produced is not merely back-door financing, it is barn-door financing. I submit that a barn door is bigger than a back door.

The action of the Secretary of Agriculture, in my judgment, will cost us at least \$1 billion next year; and while I hesitate to make this charge, the Secretary of Agriculture must have known that this would happen. In my judgment he did it in order so to swamp the public with expenditures that in disgust the people not understanding the issues, would vote to eliminate the entire program.

As one who wishes to support a decent farm program, as well as to save money for the taxpayers of the country, I believe that this move to try to restrict plantings beginning the first of January 1960, with respect to those commodities for which price supports are required by law, is the best way of turning off the spigot.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ELLENDER. Will the Senator tell us what effect his amendment would have on those crops on which acreages have been fixed? Last year, as the Senator will remember, Congress enacted laws affecting corn and other feed grains, as well as cotton and rice. In the case of cotton, the minimum acreage was fixed at 16 million acres plus 350,000 acres to take care of small farms. In the case of rice the minimum acreage was fixed at 1,652,000 acres.

Mr. DOUGLAS. My amendment would not affect cotton, rice, tobacco, and peanuts; but it would affect—

Mr. ELLENDER. Would it affect wheat?

Mr. DOUGLAS. No; it would not affect wheat.

Mr. ELLENDER. What about the practice of overplanting? There is some overplanting in wheat.

Mr. DOUGLAS. That is a separate question. But it would affect corn, the feed grains, and some other minor products upon which the Secretary has fixed a separate price, without any control over quantities or acreage—notably flaxseed, honey, and tung nuts.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have included in the RECORD at this point an analysis of the amendment offered by the Senator from Illinois, prepared by the Senate Agriculture Committee.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

EXPLANATION OF DOUGLAS AMENDMENT (6-1-59-H) TO H.R. 7175, AS FINALLY MODIFIED

This amendment prohibits use of Commodity Credit Corporation funds in carrying out price support programs required by law for any crop planted after January 1, 1960, if—

(1) expected production exceeds domestic consumption, normal exports, and set asides required by law for national emergency purposes by more than 3 percent, and

(2) the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949.

The Secretary is authorized by section 401(a) of the 1949 act to provide price support through the Commodity Credit Corporation and other means available to him. The amendment would prevent use of Commodity Credit Corporation funds in certain circumstances, thereby requiring the Secretary to resort to other means available to him. Possibly section 32 funds, appropriated funds or other means might be found to carry out the required program, but this might be difficult or impossible since price support is usually made available through use of Commodity Credit Corporation funds. The Secretary would be required to use any funds available, and Congress might feel it necessary to provide appropriated funds, since the amendment is applicable only to programs required by law.

Since the amendment applies only to programs required by law, it is restricted to those commodities upon which Congress has made price support mandatory. The Secretary would be free to support prices of all other commodities, where authority is discretionary, without regard to the amendment. If the amendment were to prevent the carrying out of a price support program required by law, it may be that the amendment would not interfere with a discretionary support program for the same commodity, but this would certainly be dubious.

The amendment is restricted to crops planted after January 1, 1960. It would therefore not apply to any commodities which are not planted such as milk, butterfat, wool, mohair, and honey; and might not apply to commodities for which production is not on a crop basis. It is difficult to determine how it would apply to the 1960 wheat crop, part of which is planted in 1959 and part of which is planted in 1960, or to tree crops, such as tung nuts and crude pine gum, where part of the trees may have been planted in years past.

The amendment would enable the Secretary, by failing to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949, to disregard the will of Congress and prevent price support required by Congress.

The effect of the amendment upon the basic agricultural commodities, other than corn, for which acreage allotments and marketing quotas are provided by the Agricul-

tural Adjustment Act of 1938, is obscure. Section 401(c) specifically includes marketing quotas authorized by law. These would appear to meet the marketing practices requirements of the amendment, and it is unlikely that section 401(c) could be construed to provide for acreage allotments or quotas more stringent than those required by law. Certainly the amendment would be satisfied by the Secretary's prescription of allotments or quotas required by law insofar as acreage allotments and marketing practices are required. However, it may be that the amendment may be satisfied only if the Secretary prescribes acreage allotments, production goals, and marketing practices. Production goals are generally somewhat contrary in nature to allotments and quotas, looking to the achievement of a certain minimum production, rather than to curtailment of production.

The trigger point at which the amendment would become effective varies from that provided by law for quotas or allotments. Where the statutory formulas for quotas may take production, carryover, and imports into consideration, the amendment takes only expected production into consideration. Where the statutory formulas may take domestic consumption, exports, and an allowance for carryover into consideration, the amendment takes domestic consumption, exports, and set-asides required by law for national emergency purposes into consideration. We do not know of any set-asides required by law for national emergency purposes.

The amendment would probably have some effect with respect to corn, barley, grain sorghums, oats, and rye, but its principal purpose would be to appear to give the Secretary discretion to avoid carrying out programs required by Congress. Thus the Secretary now has authority to impose restrictions under section 401(c) and the amendment gives him no additional authority. The amendment does not require the Secretary to impose any restrictions. It simply prohibits price support if he does not impose restrictions. The Secretary may avoid price support by failing to impose restrictions. On the other hand, if he desires that the price support program be carried out as directed by Congress, he may impose the simplest of restrictions under section 401(c), such as allotments equal to the planted acreage (as he has done at times for sugar), production goals equal to some percentage of the normal production of the planted acreage, and marketing practices of the most minimum nature and which would be carried out in any event.

Mr. ELLENDER. With respect to the commodities the Senator has just mentioned, there is no doubt that the present law would be changed should his amendment be adopted.

Mr. DOUGLAS. No; I do not think so. The Secretary would be required to comply with the present law. The present law requires price supports for those commodities; and we would require control over fresh planting, or additions to current stocks.

Mr. ELLENDER. Is the Senator stating, in effect, that the Secretary is not following the law?

Mr. DOUGLAS. He is taking every advantage of the law to break the farm program; and this amendment is designed to prevent him from doing so.

Under section 401, as the eminent chairman of the Committee on Agriculture and Forestry knows, the Secretary has discretion in these matters of production controls. This amendment is intended to remove such discretion by a limitation on the funds spent.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. YOUNG of North Dakota. No doubt the amendment of the Senator from Illinois is offered with the best of intentions; but, in effect, it would repeal much of our basic law. For example, there is no provision at the present time for production controls on dairy commodities. If we should find a surplus of dairy commodities—

Mr. DOUGLAS. I will say to my friend that my amendment reads "crops planted" and would thus exclude dairy products.

Mr. YOUNG of North Dakota. The Senator said he would yield to me.

Mr. DOUGLAS. I understand.

Mr. YOUNG of North Dakota. In effect, the amendment would repeal most of our basic legislation affecting price supports. It would create a most chaotic economic situation. It would break prices of many of our major farm products. I believe it is legislation on an appropriation bill. It requires affirmative action by the Secretary of Agriculture in a field in which there is no basic law for production controls. Therefore I make the point of order that this amendment proposes legislation on an appropriation bill.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The Chair is ready to rule on the point of order raised by the Senator from North Dakota.

Mr. DOUGLAS. Mr. President, may I be heard on the point of order?

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DOUGLAS. If the Parliamentarian and the Chair will examine the nature of my amendment, they will see that it reads:

Provided, That in carrying out the price support programs required by law—

That is, programs already in effect under the law—

no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price support operations for any crop planted after January 1, 1960, for which expected production for such year exceeds domestic consumption plus normal exports, plus set-asides required by law for national emergency purposes, by more than 3 percent, and for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401(c) of the Agricultural Act of 1949, as amended.

What the amendment would do would be to remove the discretionary powers of the Secretary of Agriculture and require him to fix production restrictions if price supports are guaranteed. Price supports are guaranteed for the commodities covered by this amendment; but it would remove the discretion to which I have referred, not by a change in the law, but by a limitation upon the funds spent.

Mr. YOUNG of North Dakota. Mr. President, the Senator from Illinois makes a pretty good case for the point of order I am making. He admits that his amendment would repeal certain legislation; and for that reason it is legislation on an appropriation bill.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield. Mr. LAUSCHE. My question to the Senator is asked for the purpose of obtaining his opinion as to the merits of the basic proposal of the Senator from Illinois, that there should be a limitation upon the quantity of the price-supported farm products.

Mr. YOUNG of North Dakota. The general thinking of the Senator from Illinois, I believe, is that if we are to have a reasonably high price support program, we must have production control. I subscribe to that part of his argument.

Mr. LAUSCHE. Is there any bill pending in the Committee on Agriculture and Forestry which would limit farm products, in the face of the huge surpluses which we are piling up?

Mr. YOUNG of North Dakota. The wheat bill which was passed the other day would decrease the production of wheat by from 200 million to 300 million bushels. The two-price or domestic parity plan for wheat would eliminate most of the Government cost. It would get the Government completely out of the business of acquiring and storing wheat.

Mr. LAUSCHE. How about corn?

Mr. YOUNG of North Dakota. I do not know of any particular application to corn.

Mr. LAUSCHE. In order to achieve the objective the Senator from Illinois has in mind, it would be necessary to follow the method suggested by him, that is, by the enactment of legislation to make mandatory the fixing of limitations on the quantity of products whenever price supports are paid. Am I correct in that understanding?

Mr. YOUNG of North Dakota. Perhaps the chairman of the committee [Mr. ELLENDER] may want to reply.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. ELLENDER. Let me state to my good friend that last year Congress passed an act—and opportunity was afforded the Senator from Ohio and other Senators to amend the bill—which dealt with the production of corn and other feed grains. What we did was to comply with what the Secretary of Agriculture desired—that is, lower price supports with respect to corn and other feed grains.

The support price this year has been reduced to 66 percent of parity. It could go down to 65 percent of parity. It was felt that reducing the support price to as low as 65 percent of parity would deter the future planting of corn and other feed grains.

It is true that under the present law corn growers can plant any amount they desire. There is no restriction. The same situation prevails with respect to other feed grains. There is no limitation whatever on the acreage; but the theory which has been advocated by the Department was that if lower price supports were provided production would be deterred.

Mr. LAUSCHE. My question has not been answered.

Mr. ELLENDER. Yes; it has. I said there was no restriction.

Mr. LAUSCHE. My question was whether there is any other method of achieving what the Senator from Illinois desires to do by way of placing in an appropriation bill this condition with respect to the right of spending money, or fixing a limitation upon the products on which price supports are paid. Is there any other method?

Mr. ELLENDER. It would be necessary to amend the law, and to do it in the proper manner.

Mr. YOUNG of North Dakota. It would require a complete change in the law, which I would favor.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CARROLL. A few days ago I read in the New York Times a very spirited attack by the President of the United States on Congress because of the farm legislation which has been passed by Congress. As I understand the principle involved—and I believe the Senator from Louisiana has explained it—the theory of the administration is that a reduction in price supports will thereby curtail production. That is basically it; is it not?

Mr. ELLENDER. Yes. As a matter of fact, I say to my good friend from Colorado that the Senate went on record in support of that theory last year by passing a bill which was more or less sponsored by the Department of Agriculture.

Mr. CARROLL. That has reference to corn. Is that correct?

Mr. ELLENDER. Yes. With respect to corn, the price support has been fixed at the average price received for that crop over the past 3 years, but not under 65 percent of parity.

Mr. CARROLL. If the Senator from North Dakota will yield further I should like to say that I wish to follow the argument of the distinguished Senator from Illinois. As I understand his argument, the concept of reducing the price support program without imposing controls is nonsense. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. CARROLL. The next question is this: As I understand the Chair to ready to rule on the point of order. However, I believe the amendment offered by the distinguished Senator from Illinois is based on that premise, and it would take from the Secretary certain discretionary powers now contained in law, and in a sense would overcome what we might have done last year in connection with the price support program in dealing with corn.

In other words, we would say to the Secretary of Agriculture, "You shall not exercise your discretionary power under the law." Therefore, to answer the question of the distinguished Senator from Ohio, we are placing a limitation on an appropriation bill. Is this the argument on the question of the point of order?

Mr. YOUNG of North Dakota. I should like to add a word or two. If the Douglas amendment should prevail, the Secretary of Agriculture would be required to put production controls on corn, and there would be a price support of only about \$1.12 to \$1.15 a bushel.

It would create an intolerable situation. The corn farmer could not stand it. He could not stand the imposition of production controls along with that low price. If we are going to have a production control program, the corn farmer is entitled to a better price support level.

Mr. CARROLL. If I may follow that reasoning a little further; in other words, by virtue of what we have done previously with the corn program, it would be a limitation on the production of the corn farmer without giving him the benefit of the price support program. Is that the point?

Mr. YOUNG of North Dakota. He would have the present price support program, with is a minimum of 65 percent of parity, or about \$1.12 a bushel. However, on top of that, he would have strict production controls.

Mr. CARROLL. How much control would there be?

Mr. YOUNG of North Dakota. The amendment has not been printed, but I should think it would require the strictest kind of control.

Mr. CARROLL. Under existing law, is there any control?

Mr. YOUNG of North Dakota. There is no basic law for production controls on corn.

Mr. CARROLL. Does the Senator from Illinois care to comment on this subject?

Mr. DOUGLAS. Yes. What I have tried to do is impose a limitation on the purposes for which the funds are spent. If that is out of order, then the whole language on page 28 beginning on line 10 and running to line 5 on page 29 is also out of order. There are no less than four restrictions listed there with respect to the use of the funds, which the committee itself included. It includes a limitation on price supports in excess of \$50,000, a definition of what is meant by a person, and so forth.

Mr. RUSSELL. Mr. President, what is the order of business?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). It is the point of order which has been raised by the Senator from North Dakota [Mr. Young].

Mr. RUSSELL. As chairman of the subcommittee in charge of the bill, I should like to know what the pending question is.

The PRESIDING OFFICER. It is the point of order raised by the Senator from North Dakota.

The Chair is prepared to rule on the point of order.

Mr. RUSSELL. I should like to have the regular order, with all deference to everyone concerned.

The PRESIDING OFFICER. In the opinion of the Chair, the amendment offered by the Senator from Illinois [Mr. Douglas] is subject to a point of order, and the point of order will be sustained for two reasons: The provision dealing with the excess of expected production over domestic consumption plus normal exports creates a contingency as set forth in paragraph 4 of rule XVI and, therefore, in the opinion of the Chair, is in contravention of the rule. In addition, it imposes additional duties upon the Secretary of Agriculture.

For these reasons, the Chair sustains the point of order.

Mr. DOUGLAS. Mr. President, I shall not take the time to appeal from the ruling of the Chair, although I wish to say that if the amendment is subject to a point of order, so also is the amendment of the committee restricting to \$50,000 the amount of crops which can be purchased from any one person. That also is legislation and subject to a point of order. I shall not indulge in any reprisals. I shall not raise a point of order on that provision.

I do, however, most respectfully request the Committee on Agriculture and Forestry to give serious consideration to the amendment in committee—I understand it is now under consideration by the committee—and to reaffirm my belief that it is perfectly ridiculous to allow the Secretary of Agriculture to fix prices on commodities on the output of which he imposes no restrictions of any kind. In my judgment, the Secretary of Agriculture is leading us not only down the road to disaster but almost to bankruptcy.

The responsibility lies directly on the shoulders of the Secretary of Agriculture and the President of the United States. I am sick and tired of having it said that Congress is involving us in this open-end, back-door appropriation. The barn-door expenditures of Mr. Benson are infinitely greater than any other appropriations by Congress.

I also have an amendment to save \$11 million. However, since my attempt to save a billion dollars has been defeated, I am sure there is no chance of our saving \$11 million. Therefore I merely ask unanimous consent that the text of the proposed amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 20, line 6, strike out the figure "\$39,135,000" and insert in lieu thereof the figure "\$28,135,000".

On page 25, line 14, strike out the figure "\$1,431,665" and insert in lieu thereof the figure "\$1,269,665".

The PRESIDING OFFICER. The bill is open to further amendment. If no further amendment is to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed for a third reading, and the bill to be read a third time.

The bill was read the third time.

Mr. WILLIAMS of Delaware. Mr. President, I wish to speak briefly on the amendment in this bill which deals with the \$50,000 limitation of supports.

It should be pointed out for the RECORD that so far as I am concerned this amendment is satisfactory and that I am supporting the committee position. The Senate had approved an amendment which I offered last week, calling for a limitation of \$35,000. I would have preferred the same limitation of \$35,000; however, being realistic, I felt that if we could hold the limitation at the \$50,000 figure and make a bona fide limitation, it would be much better than to engage

in a legislative fight on this appropriation bill and perhaps lose all.

I was not overlooking the fact that under the parliamentary situation we are in at this time I would need a two-thirds vote to put the \$35,000 limitation in this bill.

This amendment, as the Senate approved it and as the committee approved it—and I wish to commend the committee for approving it—effectively provides that there shall be a limitation on the total of all loans of \$50,000 with respect to all agricultural commodities produced in any one calendar year that are available to anyone person. This is a bona fide limitation, as was the limitation prescribed in the \$35,000 amendment upon which we voted earlier. The term "person" is adequately defined to prevent its being abused.

The amendment provides that if a person wishes he may market his produce through a cooperative and obtain the same credit. The language, however, is drawn in such a manner that if a man uses a cooperative and obtains, say, a \$30,000 loan through the cooperative, he then becomes eligible for a loan of only \$20,000 when he goes outside the cooperative. The limitation is a total of \$50,000, no matter how the loan is made nor whether it is to an individual, through a corporation which he owns or through a cooperative. The language is adequately drawn so as to apply the limitation to a total loan of \$50,000 for any one year on all commodities produced.

The amendment is also phrased in such language that, as it applies to a cooperative, while it reserves the right of individual members to obtain the maximum loan, either through the cooperative or outside, it does not give the cooperative the right to count its membership and say, "We have 10 members; therefore we can borrow \$500,000," and then allocate the money so that perhaps one member would receive \$100,000 and another only \$1,000. This is not an averaging arrangement. It is a definite ceiling.

The language of the bill limits the loan to \$50,000 under all circumstances, and it instructs the Secretary of Agriculture to prescribe proper regulations to carry out the law. I believe the language is adequate to take care of the situation, and while I would have offered the amendment to reduce it to \$35,000 had the parliamentary situation been right, I am supporting the committee amendment.

I point out that previously the House accepted the \$50,000 figure. While the House language was not adequate, nevertheless from the legislative debate the intent of the House was clear. I not only have high hopes that this provision will remain in the bill in conference and become law but also state that if it is not kept in I shall oppose the conference report when it returns.

As I pointed out to Senators who were supporting me in connection with the \$35,000 amendment, the present amendment is attached to a bill which is going to the White House whereas the amendment which the Senate approved earlier was attached to a bill which may have

an uncertain fate ahead of it. I have tried to be realistic. Therefore I feel that, all things considered, we had better take what limitation we can get, and here we have a victory in our grasp.

I think this step is a major victory for the taxpayers and will stop the free ride which these large corporate-type farms have been enjoying.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The time remaining on the bill has not been yielded back.

Mr. RUSSELL. Mr. President, I yield back all time which may be at the disposal of the committee or the majority leader, with the understanding that the time remaining to the opposition will be yielded back also.

Mr. AIKEN. Mr. President, with that understanding, I yield back the time remaining on this side.

The PRESIDING OFFICER. All time has been yielded back. All time has expired. The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. MOSS] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent because of a death in the family.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business as a member of the U.S. Committee of the Atlantic Congress.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is necessarily absent.

I further announce that if present and voting the Senator from West Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Utah [Mr. MOSS], and the Senator from West Virginia [Mr. RANDOLPH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business. If present and voting, the Senator from South Dakota would vote "yea."

The Senator from Kentucky [Mr. MORTON] is necessarily absent, and, if present and voting, would vote "yea."

The result was announced—yeas 74, nays 10, as follows:

YEAS—74

Aiken	Hart	Murray
Allott	Hayden	Muskie
Anderson	Hickenlooper	Neuberger
Bartlett	Hill	O'Mahoney
Beall	Holland	Pastore
Bennett	Hruska	Prouty
Bible	Humphrey	Proxmire
Byrd, W. Va.	Jackson	Robertson
Cannon	Javits	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S.C.	Schoeppel
Church	Jordan	Scott
Clark	Kerr	Smathers
Cooper	Kuchel	Smith
Curtis	Langer	Sparkman
Douglas	Lausche	Stennis
Dworshak	Magnuson	Symington
Eastland	Mansfield	Talmadge
Ellender	Martin	Thurmond
Engle	McCarthy	Wiley
Ervin	McGee	Williams, N.J.
Frear	McNamara	Yarborough
Fulbright	Monroney	Young, N. Dak.
Gore	Morse	Young, Ohio
Gruening	Mundt	

NAYS—10

Bridges	Case, N.J.	Goldwater
Bush	Cotton	Keating
Butler	Dirksen	Williams, Del.
Capehart		

NOT VOTING—14

Byrd, Va.	Hartke	McClellan
Case, S. Dak.	Hennings	Morton
Chavez	Kefauver	Moss
Dodd	Kennedy	Randolph
Green	Long	

So the bill (H.R. 7175) was passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. HAYDEN, Mr. HILL, Mr. ROBERTSON, Mr. ELLENDER, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mr. DWORSHAK the conferees on the part of the Senate.

PURPOSE OF THE SECRETARY OF AGRICULTURE IS TO WRECK THE FARM PROGRAM

Mr. DOUGLAS. Mr. President, I voted for the agricultural appropriation bill with a very heavy heart. I believe it is now apparent, from the ruling of the Chair and the procedures of the Senate and the House of Representatives, that it is impossible to control the Secretary of Agriculture, and that the Secretary of Agriculture will be able to carry out what I believe to be is his intended purpose of wrecking the agricultural price-support program, although in the process he bankrupts the U.S. Treasury.

PRODUCTION LIMITATIONS COULD BE FIXED

The Secretary of Agriculture has fixed price supports upon corn and other feed products without placing any restriction whatsoever upon the number of acres to be planted or the quantities to be produced. He could have protected the taxpayers and the farmers. A good Secretary of Agriculture would have done so. But not Ezra Taft Benson.

There will be an enormous corn crop this fall, which the Secretary of Agriculture, by his own act, will support at

\$1.12 a bushel; and by his failing to have imposed any restrictions whatsoever, we shall be committed to buy and to support every bushel that is turned in.

We may have a 4 billion bushel corn crop. Certainly we shall have a much larger corn crop than we have had in previous years, unless there is disastrous weather. The large crop will be directly the result of the actions of the Secretary of Agriculture.

In my opinion, the Secretary is both wrecking the farm support program and helping to bankrupt the Treasury. Let it not be said by him or by the administration that Congress is responsible for this. It is the acts of the Secretary that are responsible.

The amendment which I offered, and which was ruled out of order on a point of order, attempted to control the abuse in the next year by restricting price supports, in the cases where it was required by law, only to those commodities where restrictions on output had also been imposed by the Secretary. I think my amendment would have saved at least \$1 billion, and would have made the farm support program more acceptable to the American people. But it was ruled out of order as being legislation on an appropriation bill.

CONGRESS HAS LOST CONTROL OVER AGRICULTURE APPROPRIATIONS

I only hope the Committee on Agriculture and Forestry will bring out of committee soon a farm bill, and that it will contain restrictions such as I have suggested. I think, as a result of actions by the Secretary, we have largely lost control over the farm program. The Secretary can throw the gates open, as he has shown every evidence of throwing the gates open, to unlimited production, fixing price supports, and bringing about a huge expenditure, so he can then misrepresent the facts to the American people, and then say it is the farm program that is at fault, and ask to eliminate all farm programs.

I had thought of voting against the appropriation bill to show my disgust at a situation in which the Congress finds itself delivered into the hands of Ezra Taft Benson and the Eisenhower administration; but I also remembered that there are many good features in the farm bill—not so much on the commodity stabilization side of the bill, but in appropriations for school lunches, for the REA, and for other purposes which are very close to my heart, and which I think are close to the hearts of most Americans.

I must say that if the fate of the appropriation bill had been in my hands, I should not have wished to kill it. So it went through my mind that enough Senators would be in favor of the bill so that it would pass, and that one Senator could express his disappointment by voting against it.

Then I remembered the moral rule that the German philosopher, Immanuel Kant, laid down—one's "so act that the purpose of thy action should become universal law;" or, in nontechnical language, "Never do that which you do not want to see universalized." While this

is not an invariable rule of conduct, it is fairly good rule.

I concluded that to vote "nay," knowing the vast majority of the Senate would vote "yea," might make me look good in the eyes of the voters, but it would be morally unacceptable. So, therefore, with a very heavy heart, and with what I hope was a weak voice, I voted "yea."

I think the whole farm program needs to be revised. I am for a farm program, but I want to see it geared particularly to protect the small-sized family farm. I do not believe the present program has over a year more to run. As we revise the program, I hope we shall center our efforts toward protecting the family-sized farm.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARROLL. I wish to commend the distinguished senior Senator from Illinois for his legislative effort, which has been ruled out of order. He has not only emphasized to the committees that have control of this type of legislation but he has emphasized again and again and again on the floor of the Senate and elsewhere the need for real farm legislation. He has emphasized again to Secretary Benson that he ought to be exercising some leadership in this field. We know that in our total economy, agriculture is the softest spot. Last year we exchanged viewpoints on this matter on the floor of the Senate. I for one have been urging a unit control—a bushel control—on wheat and corn.

I think the distinguished senior Senator from Illinois is 100 percent right. We must curb production, and not merely reduce price supports. We have got to curb production in this field. We shall never have any success in the farm program until production is reduced.

I may say to the distinguished Senator from Illinois that I have talked to many Senators who are on the committee, and, without exception, they have agreed on the desirability of unit control for tobacco, cotton, wheat, and corn; but, as Mark Twain said one time about the weather, everybody talks about it, but nobody does anything about it. The distinguished junior Senator from Georgia [Mr. TALMADGE] has a bill advocating this very approach.

We have got to do something, because there is no question in my mind of the logic of the remarks of the senior Senator from Illinois. To use an old expression, he hit the nail on the head when he said there is a deliberate effort to undermine the farm program and to try to create the impression that the Democrats are responsible for the uneconomic condition which exists in agriculture.

I commend the Senator from Illinois for his fine effort to try to save \$1 billion in the farm program.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Missouri.

Mr. SYMINGTON. I also should like to congratulate the distinguished senior Senator from Illinois for his perspicacity

in this field. As the Senator knows, the Secretary of Agriculture has pursued two basic premises which have been proved to be entirely wrong. The first is that lower price supports would have a tendency to reduce production. The second is to give price supports, without, as the Senator so ably pointed out, enforcing controls.

On February 16 last, the distinguished chairman of the committee, the distinguished junior Senator from Wisconsin, and I all received a promise from the Secretary of Agriculture that he would give the committee an omnibus bill—giving his recommendations for dealing with the farm problem. Nevertheless, he has not yet produced the bill which he promised many months ago.

Mr. DOUGLAS. I had read of that matter in the press and in the CONGRESSIONAL RECORD. I am very glad to have the Senator from Missouri make the statement again on the floor of the Senate. I think it is another indication that the Secretary does not wish even to advance any policy. He wants to be able to advise the President to veto any bill the majority of the House and the Senate may pass, and then force us to accept the existing law, which, unfortunately, does give discretion to him to put into effect price supports without imposing production controls.

Using that power on corn and feed grains, the Secretary refused to impose production controls, and we are going to have corn running out of our ears and money running out of the Treasury.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I am glad to yield.

Mr. SYMINGTON. What the Secretary is really trying to do, is he not, is to blame the Congress for the failure of his program and for his own administrative inefficiency?

Mr. DOUGLAS. I think that is absolutely correct. The Secretary is ready to defeat price supports even if it costs the American taxpayers \$5 billion or \$10 billion.

Mr. SYMINGTON. I again commend the able Senator for his analysis of this situation.

Mr. DOUGLAS. I thank the Senator from Missouri.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the junior Senator from Minnesota.

Mr. McCARTHY. The Senator from Illinois is making a fair case against the Secretary of Agriculture. I ask the Senator whether he can imagine anything the Secretary of Agriculture might have done, within the authority he has had, to undermine the farm program which he has not done?

Mr. DOUGLAS. I do not know of anything. I would give the Secretary a 100 percent grade on every measure designed to injure the American farmer.

Mr. McCARTHY. I wish to point out to the Senator that through the years the Secretary of Agriculture, Mr. Benson, has pointed to the egg industry as an example of how the agricultural economy would correct itself if we permitted the free market forces to operate.

The Secretary is more prophetic than he anticipated. Today we know that eggs are selling at about 40 percent of parity. This process has gone on for 3 or 4 months.

Mr. President, last week egg prices reached the lowest national average since 1941. The position of the egg producers in Minnesota, which is an export market where prices of eggs are several cents a dozen lower than the national average, has been desperate for several months.

The fact is that in an uncontrolled market the price does not drop in the same proportion as the supply goes up. Price reductions do not reflect, in simple rates, the increase in supply. The egg supply this year is only a little more than 4 percent over last year's average, but this has resulted in a 29 percent drop in the price of eggs.

As Senators know, the Committee on Agriculture of the House of Representatives has held hearings on the egg and poultry market, and on May 13 in a letter forcefully requested the Secretary of Agriculture to "review all existing authority and availability of funds with the purpose of immediately and fully implementing, in every practical manner, such programs of purchase, diversion and export of eggs and poultry products as will lead toward improvement in the present critical situation within the domestic poultry industry."

Last week the answer came in the form of a letter from Mr. Clarence L. Miller, Assistant Secretary of Agriculture, stating that the Department would not use the authority and funds provided through the section 32 program and Public Law 480 to purchase laying hens, shell eggs or broilers for use in the relief programs in the United States, or for export, or for the school lunch program.

Mr. President, instead of following the policy laid down by the Congress, Mr. Benson called a well-publicized meeting of 27 national and regional representatives of poultry farmers, farms organizations and food retailers, and after this gathering the Secretary produced his solution. His words were:

An accelerated program of promotion, advertising, and merchandising, calling into play all the imaginative and creative forces which have characterized many successful food promotions in the past.

Mr. President, I submit that this is a wholly inadequate response, and one which makes light of the considered judgment of Congress. The crisis in the egg and poultry market is not a result of the failure of Madison Avenue advertising. Its basic cause lies in the Secretary's faith in a free and uncontrolled market for farm products within a nation where all other major segments of the economy are subject to some degree of rational control over supply and demand. Immediately, the crisis is a response to the cheap feed policy of the Department and generally reduced farm income, which have led farmers to take a chance to break even by expanding livestock and poultry production. There is every reason to believe that the poul-

try emergency will soon be followed by a similar crisis in pork.

Senators will recall that, at the beginning of his administration in 1953, Mr. Benson assured the Senate Committee on Agriculture and Forestry that he believed in a price-support program, at least to the extent that it was needed to "prevent disaster to the farm-producing plant."

It seems to me that the major step which the Congress must now take is to define the word "disaster." Egg prices in Minnesota have been at 42 percent of parity and lower for 3 months. I have called and written the Department of Agriculture frequently, asking the Department to use the funds and authority it has, and the responses have been similar to those received by the House Committee on Agriculture last week. I think we can fairly conclude that 42 percent of parity is not low enough to constitute disaster in the Secretary's lexicon. What does—35 percent or 25 percent?

The emergency in the case of poultry and eggs is simply the present manifestation of general crisis threatening agriculture. During the past several years farm prices and farm income have declined steadily, although the cost of food to the consumer has risen. The farmer's share of the consumer's dollar has dropped from nearly one-half to about 39 percent. We are all aware of the surpluses which have accumulated in wheat, cotton, and certain other farm products.

There is a pressing need for a reevaluation of the entire farm program, as the Senator from Illinois has said, starting with the principle that the family farm is not only an economic base but is also a social and spiritual force, and that its continuation is a primary objective of the farm program.

There is a real danger that the farm program will be undermined by some who, in fact, would like to see the whole program abolished, but who take a position which makes them appear as defenders of the family farm.

I may say that today I received what I believe to be the first publication in which the Department of Agriculture lends its name to the sales promotion program, which I mentioned. The publication is entitled "The Gold Rush of 1959—Eggs—Nutritious Nuggets for Your Menu."

The "gold rush" has no reference whatsoever to the income of the farmer who produces the eggs. So far as I can discover, it relates to the fact that the yolk of the egg is still yellow and has some nutritional value.

I shall not read this report, but I notice, as I look at about the second from the last paragraph, that the Secretary of Agriculture, the Department of Agriculture, at last gives some advice to the people of this country on how to cook eggs. This is an important contribution, particularly since it relates to how to boil eggs. I suppose there may be a few people in this country who do not know how to boil eggs.

Mr. DOUGLAS. Does Mr. Benson say that one should place eggs in boiling hot water to boil them?

Mr. McCARTHY. It is said that the first and fundamental rule, whether cooking eggs in water, in a frying pan, or an oven, is to use low or moderate, even heat, and that, like all protein foods, eggs cooked at too high a temperature become tough and leathery.

I am sure the American people who read this report will proceed in a great rush to the supermarkets and to the stores to buy eggs.

Mr. DOUGLAS. The Senator from Minnesota is a master of sardonic understatement. I think the Senator has made an excellent point.

PRESIDENT MUST ALSO TAKE RESPONSIBILITY

Mr. President, I have one final point before I yield the floor and go downstairs to have lunch, to eat some eggs and help to reduce the egg surplus. I do not think we should blame Mr. Benson alone on this matter. The policy of Mr. Benson is also the policy of Mr. Eisenhower and the Republican administration. I think we have centered responsibility too much on the Department of Agriculture and not sufficiently on 1600 Pennsylvania Avenue, because every step Mr. Benson has taken has also been a step approved by the President.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. McCARTHY. I certainly agree with the Senator from Illinois. Sometimes the impression is created that when Mr. Eisenhower took office as President, in January of 1953, he went out on the White House lawn and found all the various Secretaries waiting for him, and somehow he got them to take their respective offices. This was not the case, as the Senator has pointed out. Those Secretaries had to be picked; they had to be recommended; they had to be confirmed.

Mr. DOUGLAS. The President not only appointed Mr. Benson, but he has held him in office against the protests of a large proportion of American farmers. He has approved all the legislation suggested by Secretary Benson. He has vetoed legislation passed by the Congress which Secretary Benson asked to have vetoed. He has placed his stamp of approval upon every act of the Secretary of Agriculture.

While I like the President personally, while I think he is a very decent man—if I had sufficient skill at golf and if I were invited I would be glad to play golf with him; or if I had sufficient skill at bridge and were invited to come to the White House I would be glad to play bridge with him—while I think he is a very fine person individually, so far as agriculture is concerned I think he is simply a ditto mark for Ezra Taft Benson.

Mr. WILLIAMS of Delaware. Mr. President, the appropriation bill which has just been passed calls for the expenditure next year of \$220 million over and above the amount which the administration requested in its budget estimate.

I shall give a tabulation of the amounts.

The Senate by a vote authorized the expenditure of \$75 million more under the soil bank program than was requested by the administration.

I will say at this point that it is rather interesting and somewhat amusing to note that so many of those who have denounced the soil bank program and even some who have referred to the program as the "golf links program" voted today not only for the program but also for \$75 million more than the administration wanted.

It could be that this was a practice Presidential campaign speech. Rather than being against the program, I suppose the criticism is that it has not been elaborate enough. Anyway, the Senate had a yea and nay vote and provided \$75 million above the budget request for the soil bank program.

The next item, the ACP program, which is shown on page 12 of the bill, is another program involving additional expenditures. The Senate by another yea-and-nay vote provided \$150 million over and above the amount requested by the administration. This, again, will be a direct expenditure which must be accounted for by the taxpayers.

Again, in reference to page 27 of the bill, the chairman of the subcommittee admitted there was a false claim with regard to a \$100 million saving in the bill as reported by the committee. The chairman of the subcommittee, who was in charge of the bill, admitted in a colloquy with the Senator from Illinois [Mr. DIRKSEN] that it was not a bona fide reduction so far as expenditures were concerned. This is in reality another \$100 million increase.

That brings the total increase in the bill to \$325 million. Now, as the committee reported with regard to the rest of the bill, taking into consideration the increases and decreases, there was provided a \$105 million reduction in the other items. That leaves an increase of \$220 million which this bill, just passed by the Congress, will call for in expenditures in the next year over and above the administration request.

In addition, the bill also provides for \$33 million of loan authorizations for the Farmers Home Administration again over and above the amount requested by the administration.

There has been much boasting about the fact that the appropriation bills call for cuts from the Eisenhower budget. I think the RECORD should show that the yea-and-nay vote on this bill called for \$253 million over and above the budgetary request.

I call this to the attention of the majority party because I know that they want to keep the tabulation correct, and if there is any question as to this tabulation, I will yield to any Senator at this time who wishes to take exception to it because these are the figures the taxpayer will be called upon to pay. Since there is no answer I assume they agree. The taxpayer will not pay on any such figures as are shown on the first page of the report. These are "trick" figures to show a savings of \$105 million and are arrived at only by eliminating from the computation all of those items which

have substantial increases. The taxpayers will pay for the bill as a whole and have a right to be told the real truth.

I say that the report when it states on the front page a reduction of \$105 million, refers only to a portion of the bill and does not refer to all of the bill. There is in reality \$253 million increase, and the report should show it. This has been confirmed by the colloquy with the chairman of the subcommittee who yesterday admitted the accuracy of these figures. There is no question about them. And I say again, I shall be glad to yield to any Senator who desires to question the figures. I repeat, the bill as passed represents a \$220 million cash expenditure increase and a \$33 million loan authorization increase.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. Again I wish to commend the distinguished Senator from Delaware for the way he has dug into the figures and has been so influential in endeavoring to keep the bill within budgetary bounds. We have been furnished by him with the accurate figures, which are not questioned, so far as I know. Let me say to the Senator that I voted against the bill, as he did, as a protest against "busting" the budget in connection with items with respect to which it seemed to me that the budgetary provisions were ample. Every time we try to keep within budgetary bounds we are told, "We must loosen up here, and cut out somewhere else." But the "somewhere else" never appears.

In connection with the amendments which the Senator from Delaware offered, we had our opportunity to keep the bill within reasonable bounds, but a majority of the Senate voted not to do so.

If the bill comes back from conference in some reasonable form, I shall be happy to vote for it. I hope that the figures the Senate has placed in the bill will not be sustained in conference.

Mr. WILLIAMS of Delaware. I thank the Senator from New York. I likewise hope that the amount of appropriations can be brought down in conference. With the \$12 billion budget deficit confronting us this year, I think it is essential that we in the Congress reduce these appropriations. We cannot do it by increasing them above the amounts which are recommended by the Bureau of the Budget.

I am not saying that there is anything sacred about the Budget figures. Many of the figures are even too high; but certainly, as a bare minimum, we can live within a \$77 billion budget. If we are not going to live within it, let us as Members of Congress accept our responsibility and not boast about how much we are cutting here and there. Let us not report appropriation bills with reports to the effect that we are saving \$105 million when there is not a Senator who will stand up and say that those figures, as they were reported to the Senate, have any degree of accuracy. They were merely bookkeeping items, juggled around to look good to the taxpayers.

They do not reflect any degree of accuracy as far as reporting the full cost

of the bill. That statement cannot be challenged by any Member of the Senate. If any Senator wishes to challenge it, I will yield to him for that purpose.

No Senator wishes to challenge my statement.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. MAFFER, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960 and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the joint resolution (H.J. Res. 254) to authorize participation by the United States in parliamentary conferences with Canada.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 758. An act for the relief of Viktors Neimanis;

S. 1197. An act to amend the Atomic Energy Act of 1954, as amended;

S. 1217. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation;

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S. 1242. An act to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

REIMBURSEMENT OF STATES BY FEDERAL GOVERNMENT ON HIGHWAY CONSTRUCTION

Mr. BUSH. Mr. President, I am pleased to advise the Senate the House Committee on Public Works has voted today to report favorably H.R. 6303, a bill to provide fair and equitable reimbursement by the Federal Government to States which constructed certain sections of the National System of Interstate and Defense Highways.

H.R. 6303, introduced by the distinguished chairman of the House committee, Representative CHARLES A. BUCKLEY, of New York, is a companion measure to S. 1714, which I have introduced for myself and other Senators, including the senior Senator from Oklahoma [Mr. KERR], the senior Senator from Ohio [Mr. LAUSCHE], the junior Senator from New York [Mr. KEATING], the two Senators from West Virginia [Messrs. BYRD and RANDOLPH], and my able colleague from Connecticut [Mr. DONN].

Mr. President, the enactment of legislation to reimburse the States for highways taken for the Interstate System is

necessary in the interests of justice. The action taken today by the House committee is a significant step forward toward that goal.

I hope that the Senate Committee on Public Works, on which I had the privilege of serving in former Congresses, will soon begin to consider the reimbursement problem, and that this Congress will act to solve it.

I ask unanimous consent that a statement I made before the House committee on May 19 may be printed in the RECORD following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF U.S. SENATOR PRESCOTT BUSH, OF CONNECTICUT, URGING SUPPORT OF BILLS TO PROVIDE FOR EQUITABLE REIMBURSEMENT BY THE FEDERAL GOVERNMENT TO THE STATES FOR HIGHWAYS TAKEN INTO THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS, DELIVERED BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS, MAY 19, 1959.

Mr. Chairman and members of the committee, I am grateful for your invitation to testify before this committee, once again, on bills providing for fair and equitable reimbursement by the Federal Government to States which constructed certain sections of the National System of Interstate and Defense Highways.

For several years I have urged Congress to do justice to the States which have contributed mileage to the Interstate Highway System, but which have not been reimbursed. I sincerely hope that action will be taken this year.

As a matter of equity, Congress should now establish the principle that the States are entitled to reimbursement for highways which were completed or were put under construction by contract on the Interstate System between August 7, 1947, and June 30, 1957, and take definite steps to provide such reimbursement within a reasonable time.

The bills relating to this subject which I have introduced in the present Congress are S. 570 and S. 1714. S. 570 is a refinement of bills I have introduced in former Congresses. S. 1714 is a companion measure to H.R. 6303, introduced by the distinguished chairman of this committee, Representative Charles A. Buckley, of New York. I am pleased to join Chairman Buckley in a mutual effort to seek support for this needed legislation. I am delighted to inform you that the bill has attracted considerable interest and support in the Senate. Among its cosponsors are the senior Senator from Oklahoma, Senator KERR; the senior Senator from Ohio, Senator LAusche; the junior Senator from New York, Senator KEATING; the two Senators from West Virginia, Senators BYRD and RANDOLPH; and my able colleague from Connecticut, Senator DODD.

S. 570 and S. 1714 have the same goal of equitable reimbursement in view, but would provide different methods of reaching it.

S. 570 would:

1. Declare it to be the policy of the Federal Government to reimburse the States, on an equitable basis, for acceptable highways, free or toll, which have been incorporated into the Interstate System.

2. Authorize the Secretary of Commerce to provide reimbursement, upon request of a State, if he determines highways so incorporated meet Interstate System standards. The amount of reimbursement would be lim-

ited to the cost of the highway, less depreciation, and less the total amount of Federal funds used in its construction. Additionally, in the case of toll highways, the reimbursement would be further reduced by deductions for the cost of all auxiliary facilities needed for its toll operation.

3. Require the States to use funds so reimbursed for construction of projects on highways which connect with the Interstate System and enhance its utility and, after completion of such projects, on any Federal-aid system. No State matching funds would be required.

In order to prevent excessive additions to the normal flow of funds from the highway trust fund in any single year, S. 570 provides that a State shall have until July 1, 1974, to obligate reimbursed funds to its credit, with a provision that no more than 10 percent of the total credit may be obligated in any fiscal year.

Your chairman's bill, H.R. 6303, and my companion bill, S. 1714, declare a policy that each State in which a toll or free highway, or portion thereof, has been included in the Interstate System is entitled to reimbursement and that funds so reimbursed shall be used for construction of highways on the Federal-aid primary system.

The bills authorize appropriations out of general funds in the Treasury not otherwise appropriated and not out of the highway trust fund—and this, of course, is a major departure from the financing proposed in my earlier bill, S. 570, and provided for in the Highway Revenue Act of 1956 which was intended to finance completion of the Interstate System.

The appropriations would be authorized over a 15-year period commencing with the fiscal year ending June 30, 1962, and would total the net reimbursable amount of \$4,295,600,000. The amounts involved for any one fiscal year range between \$225 million and \$360 million—clearly within a feasible area.

The argument most often advanced against the Federal Government paying its just debts to the States for their contributions to the Interstate System is based solely on expediency. Where, it is asked, is the money coming from?

Gentlemen let us grasp the nettle firmly. It is time for this Congress to recognize that the Federal Government can pay its bills only by taxing the people. Either we tax openly and honestly, or we impose the hidden, dishonest, cruel tax of inflation through deficit financing.

The proposed reimbursements to the States will, it should be noted, have no effect upon the budget for the next fiscal year. If the bills are enacted, ample time will be provided for inclusion of the amounts to be reimbursed in the budget for the succeeding fiscal year, commencing June 30, 1961. If off-setting savings cannot be found elsewhere in the budget—a solution which is to be hoped for—then the money must come from taxation.

I would prefer that the bill be paid by those who enjoy the benefits of these modern, safe highways. As you all know, we already face an impending shortage of funds in the highway trust fund which, under present law, will make it impossible this year to apportion funds for the interstate system.

President Eisenhower has recommended a temporary increase of 1½ cents a gallon in the Federal tax on motor fuels, effective July 1st, to keep the highway trust fund on a pay-as-you-go basis and to maintain the planned construction schedule.

I regret that the leadership of this Congress apparently is unwilling to act upon

the President's recommendation. Should, however, the Committee on Ways and Means of this body and the Senate Finance Committee beleagueredly give active consideration to a temporary increase in the motor fuels taxes, I hope they would also consider additional sources of revenues from highway users which could be used to finance the reimbursement program.

The other alternative, as proposed by Chairman BUCKLEY's bill and the companion bill, is to finance reimbursements from general funds in the Treasury. Unless off-setting savings can be found elsewhere in the budget for fiscal 1961, the Congress in the next session will be faced with the necessity of financing the program by taxation—either by raising taxes openly and honestly, or by the inflation tax of deficit financing. Of these unpleasant alternatives, I prefer the former.

In any event, gentlemen, this committee and this Congress have the duty to pay debts owed by the Federal Government to the States. There is an obligation on the part of the Federal Government to reimburse the States for the mileage the Federal Government has taken into the interstate system without compensation. The Federal Government encouraged the States to believe that they would be given credit for these highways; otherwise many of them would not have been built. It would be a gross miscarriage of justice if heavy penalties are imposed upon the very States who had the courage and vision to undertake the construction of urgently needed highways prior to the enactment of the Federal-Aid Highway Act of 1956. Failure to enact a reimbursement bill would inflict such unjust penalties.

THE NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. BUTLER. Mr. President, on the floor of this Senate on Thursday, May 28, the distinguished Senator from Oregon called Secretary Strauss "an enemy of the people." He described his record as "horrendous."

Is a man who in his youth helped to feed the starving people of France, Belgium, and central Europe an enemy of the people?

Is a man who has spent many thousands of dollars of his own earning to find a better means of controlling cancer an enemy of the people?

Is a man who served his country during war with such distinction that his services were twice recognized and commended by the President of the United States an enemy of the people?

Is the man who insisted upon the establishment of a system to tell when our potential enemies achieved atomic weapons capability an enemy of the people?

Is the man who first and alone urged and stoutly maintained, against powerful opposition—almost unanimous opposition—that we should not be less well armed than the Soviet—that we must develop the hydrogen weapon—is that man an enemy of the people?

Is the man who played a leading role in helping formulate the President's program of atoms for peace an enemy of the people?

Is the man whose idea established the International Atomic Energy Agency,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued June 5, 1959
For actions of June 4, 1959
86th-1st, No. 91

Accounting.....16		
Agricultural		
appropriations.....1	Farm program.....17	Property.....26
Agricultural attaches...23	Foreign aid.....14	Reclamation.....3,18
Appropriations.....1,11,16	Foreign trade.....19	School lunch.....15
Coconut oil.....24	Forestry.....3,27	Surplus commodities...8,13
Commodity exchanges.....25	Livestock.....4	Tobacco.....6
Conservation reserve.....1	Marketing.....22	Transportation.....12
Dairy products.....15	Patents.....10	Vehicles.....21
Egg prices.....2,22	Personnel.....9,21,23	Water pollution.....7
Electrification.....20	Potatoes.....25	Wheat.....5
	Poultry.....2,22	Wildlife.....26

HIGHLIGHTS; House Rules Committee cleared wheat and tobacco price support bills. Sen. Russell disputed Sen. Williams', Del., statements on USDA appropriation bill.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1960. Sens. Russell and Williams, Del., debated whether the agricultural appropriation bill as passed by the Senate provides more funds than were requested by the Administration, with Sen. Russell terming as "completely in error" a statement by Sen. Williams that the bill "calls for the expenditure next year of \$220 million over and above the amount which the administration requested in its budget estimate." Sen. Russell stated that certain items in the bill were authorizations, not appropriations, and inserted tables showing advance authorizations and appropriations for the conservation reserve and ACP programs for previous years. pp. 8874, 8875-80
2. EGG PRICES. Sen. Neuberger discussed "the disaster which has struck egg and poultry producers in our States," and inserted the text of a letter he sent to this Department urging "steps to assist in alleviating this situation," and inserted two articles discussing the situation. pp. 8851-4
3. FORESTRY. Sen. Murray commended the work of the Forest Service in the reforestation of Teakettle Mountain, Mont., and urged enactment of legislation for the establishment of a Youth Conservation Corps to aid in forestry conservation. pp. 8858-9

4. LIVESTOCK. Sen. Hruska paid tribute to the Union Stockyards Co., of Omaha, Nebr., on its 75th anniversary, for "its steadfast and competent service to the livestock industry," and inserted an address by the president of the Co. pp. 8841-3

HOUSE

5. WHEAT. The Rules Committee reported a resolution for consideration of H. R. 7246, to revise acreage allotments and price supports for wheat (See Digest 82, item 8, and Digest 81, item 24, for a summary of the bill). p. D437
6. TOBACCO. The Rules Committee reported a resolution for consideration of S. 1901, to modify price supports for tobacco (See Digest 82, item 1, for purpose of bill). p. D437
7. WATER POLLUTION. Began debate on H. R. 3601, to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works and to establish the Office of Water Pollution Control. Rep. Blatnik quoted Secretary Benson as saying "we have got to stop wasting water." (p. 8912). pp. 8911-12, 8912-44
8. RECLAMATION. Rep. King criticized the "no new starts policy which the Administration proposed in its budget requests," stressed the "importance of reclamation" and stated that the charge that reclamation is responsible for farm surpluses is "not true" and that surpluses are a "temporary problem." pp. 8947-8
9. PERSONNEL. A subcommittee of the Judiciary Committee voted to report with amendment (but did not actually report) H. R. 3283, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment. p. D437
10. PATENTS. A subcommittee of the Judiciary Committee voted to report (but did not actually report) H. R. 2739, to fix the fees payable to the Patent Office on patents, and H. R. 4059, with amendment, to amend title 28 of the U. S. Code to protect copyrights from Government infringement. p. D437
11. APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$295,285,072 for fiscal year 1959 and \$47,785,670 for fiscal year 1960 for various agencies (H. Doc. 169). The proposal does not include any items for this Department. pp. 8966-7
12. WATER TRANSPORTATION. Rep. Shelley stated that despite statutes such as sec. 901 (b) of the Merchant Marine Act of 1936, as amended, "which provides that at least 50% of Government sponsored cargoes [such as surplus grain moving under P. L. 480] shall be carried on privately owned U. S. flag vessels," the "USDA, ICA, and the Department of State have, for various reasons best known to themselves, engaged in actions inconsistent with and in derogation of the purpose of the legislation," charged that certain agencies "have apparently been more concerned in furthering the interests of foreign merchant marines," and urged "prompt legislative action to prevent the extinction of the tanker segment of our American merchant marine." pp. 8961-2

ITEMS IN APPENDIX

13. SURPLUS COMMODITIES. Sen. Byrd, W. Va., inserted his statement before the Senate Agriculture and Forestry Committee favoring proposed legislation to expand the distribution of surplus food to the needy. pp. A4751-2

Mr. HUMPHREY. The Macmillan plan meets the test up to a certain number of on-site inspections, but a ceiling would be placed on the number of on-site inspections. We do not know how high the ceiling would be. It would certainly need to be related to the scientific capabilities of the detection system.

We would be a great deal better off if the executive branch of the Government would occasionally confide in us and in the American people. There is a report known as the Berkner report, which is the result of a scientific study which was made, relating to improvements in the seismic aspects of the inspection and detection system, following the Hard-tack series of tests.

That report has been classified. It has been made available to a few of us. We must keep it under lock and key, in the vault. We are not supposed to talk about it in the Senate, among our colleagues. Yet that report is required reading if we are intelligently to discuss the possibilities of an adequate inspection and detection systems. It is a disservice to the negotiations, on the one hand, to permit certain individuals to frighten the American people into believing that their security is jeopardized because someone is talking about an agreement to suspend nuclear tests, by saying that we cannot really test to see whether or not the Soviets are cheating on the tests, when there is available a report prepared by highly qualified scientists and technicians, appointed by the President or by the President's agent, Dr. Killian, which will give us accurate and new information relating to detection and inspection.

I hope the executive branch of the Government has representatives in these environs. If so, I hope they will respond to the request to make the Berkner report public. It is time this kind of information was made available to those who convey news to the American people—to our press reporters, our columnists, Members of Congress, and others who convey information to the American public at large.

The terms of the report have not been made available to Members of the Senate or the House of Representatives, or to the American people. I appeal to the President to make available as quickly as possible the report to which I have referred, because it will give us additional information, which is required for intelligent discussion of this highly important issue.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I have a very important question to put to the Senator, in view of his mentioning the Berkner report.

I commend the distinguished Senator for talking about a workable control system. Many questions have been raised in the minds of some of us about the validity and efficiency of such a system. We must take a look at the alternative. What if we continue to do nothing? Other nations are building these devices, and they will continue to build them. That is why I wish to go on record today

before the distinguished Senator leaves the floor. In the years to come—in the next 1, 2, 3, 4, or 5 years—we shall see the construction of these weapons spreading all over the world—if not big bombs, small nuclear weapons. The question is, "What do we propose to do about it?" If we do nothing about it, as surely as I stand on this floor—and I have been in two wars, and have seen the development of new firepower—no nation in the world will reject the development of new firepower in world war III. It will start with a small bomb, a small nuclear weapon, and will grow step by step, until we are thrown into a terrible world war III, a nuclear war. All the military authorities of this Nation know this. The Soviets know it, too.

I desire to propound a question relating to the Berkner report. When we talk about control, do we mean only control of big bombs? Do we have an inspection system with respect to the control of small bombs? Why is it that the Berkner report can be given to the delegates of other countries, but not to the members of the Congress of the United States, who are representatives of the people? How are the people to obtain this information?

Does the Senator have information to the effect that the Berkner report might be helpful in ascertaining whether there should be a comprehensive, efficient control system giving us information with respect to small underground explosions as well as large explosions?

Mr. HUMPHREY. When the Berkner report is released—and I hope it will be; that is what the appeal is here today—it will be seen that it contains information which is both refreshing, on the one hand, and disturbing on the other. One of the purposes of this discussion is to get these issues out into the open. If an agreement is ever signed at Geneva, it must come back to the Senate. The questions which the Senator from Tennessee [Mr. GORE] asks, and the observations he makes, are pertinent, relevant, and important. We should discuss them now, ahead of time, so that our negotiators will know what is in the minds of Members of the Senate.

I am not at liberty at this stage to discuss the Berkner report. As chairman of the subcommittee, I have had an opportunity to examine it.

Mr. CARROLL. Is it a report by scientists?

Mr. HUMPHREY. It certainly is.

Mr. CARROLL. Does it have to do with the possibility of an inspection system?

Mr. HUMPHREY. Indeed it does.

It contains many proposals and suggestions relating to improvement of inspection systems. It also contains other proposals. It contains materials which are rather disturbing, in terms of some of the problems we shall encounter in connection with an inspection system.

Mr. CARROLL. I commend the distinguished Senator from Minnesota, the distinguished Senator from Tennessee [Mr. GORE], and the distinguished Senator from Idaho [Mr. CHURCH], who have participated in this discussion.

This is what we need more of in this country, instead of drifting aimlessly. We must let the people know the real dangers of atomic warfare. They are not small. They are great.

The crisis confronting us in West Berlin today is not a small crisis. If we intend to give up, to appease, and to back off, our stand must be made known, and our people must know what we propose to do. That is why I congratulate the Senator from Minnesota for stimulating thinking along these lines.

Mr. HUMPHREY. I think it is unlikely that the subject matter of nuclear testing will be settled at Geneva. It will be brought into the so-called summit conference. That is what I believe the Soviets prefer to do. I am pleased that our Government has taken the view that all the technical aspects, all of what we might call the work-table aspects, the detailed aspects, must be hammered out among the negotiators at Geneva.

I am convinced that the Soviets want to take the whole subject of nuclear test prohibition to the Summit conference. That is one thing they want to do. Therefore it is imperative, before it gets into the hands of the heads of state at a Summit conference, where the observations of Members of Congress, may I point out, are surely limited at best, that we discuss it here. There is no Member of the Senate who knows the atomic energy field better than the two Senators who were discussing it today, the Senator from New Mexico [Mr. ANDERSON] and the Senator from Tennessee [Mr. GORE]. There is no Member of Congress who has made a finer contribution to an intelligent discussion of the problems at Geneva than the Senator from Idaho [Mr. CHURCH]. It is my privilege to be the chairman of the Subcommittee on Disarmament. I am not an expert. However, I believe that we ought to get these matters into the open, and I believe we should discuss them. I would rather argue in public these great national policies, and make my share of mistakes in the arguments, than to see them negotiated in secret, without the information being made available to Members of Congress, on the basis of reports such as the Berkner report, and subsequently find out that the negotiators had agreed to something which, later on, the Senate either accepted on the basis of blind acceptance, or rejected because of fear or misunderstanding. We are going to have understanding on this issue. This debate is all to the good.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield the floor. The Senator may conclude the debate, if he wishes.

Mr. CARROLL. I should like to make one short observation, Mr. President. I should like again to commend the distinguished Senator from Minnesota and all his colleagues who are experts in this field. The questions involved are tremendously important to the American people. I say to the Senator from Minnesota that, so far as the future is concerned, he need have no qualms about having overreached himself. This is a

matter for discussion and debate. I frankly have many qualms as to whether we can have an efficient control system. I do not know how we are going to control smaller weapons.

Science may solve it for us. A year and a half ago, when I discussed the subject with the Senator from Minnesota, we were talking about reconnaissance satellites. The time seemed far away when we could ever have in orbit a satellite, containing cameras taking photographs of countries. At that time we did not know how reentry could be made.

Only 2 or 3 days ago Able and Baker reentered in a cone. And a few days ago I read of further progress with a camera-satellite.

Science will make great advances in this field. The Berkner report shows the scientific advance which has been made in seismological instruments, as I believe they are called. The importance of a debate such as this is that we discuss the subject, and become aware of it, and do not agree with any attitude or mentality or military jingoism, which holds that the only way out is war. As surely as I am standing in the Senate today, if we ever get to the point of dropping small nuclear weapons, the big ones will follow. That is the whole history of military warfare whenever a new system of fire power has been developed. This is the way we have developed in the field of atomic energy and nuclear warfare.

That is why I again commend the Senator from Minnesota and his colleagues who have made this contribution.

Mr. PROXMIRE. Mr. President—
The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Georgia.

AGRICULTURAL APPROPRIATIONS

Mr. RUSSELL. Mr. President, my attention has just been called to some remarks which were made on yesterday by the senior Senator from Delaware [Mr. WILLIAMS] after I had left the floor and after the passage of the agricultural appropriation bill for fiscal year 1960.

The Senator from Delaware in his speech challenged anyone to take exception to some very erroneous figures. I do not know whether any members of the subcommittee were on the floor at the time. If they were, I imagine they were so staggered by the failure of the Senator from Delaware to comprehend the nature of the bill that they did not desire to undertake any controversy with him.

The Senator fell into the most grievous error. He said—and I am reading from page 8712 of the RECORD:

Mr. President, the appropriation bill which has just been passed calls for the expenditure next year of \$220 million over and above the amount which the administration requested in its budget estimate.

That statement was repeated two or three times during the course of the Senator's statement. The Senator goes on

to refer to some increases which were made in the authorization for expenditures for which appropriations will be made in the appropriation bill fiscal 1961. He thus has pyramided the expenditures which will be made in fiscal 1960 on top of the expenditures which will be made in fiscal 1961.

He repeated that statement several times. I read from page 8173:

That leaves an increase of \$220 million which this bill, just passed by the Congress, will call for in expenditures in the next year over and above the administration request.

The statement is completely in error. Even conceding that all of the \$100 million which he also discussed, and which was reduced from the amount ultimately needed to restore the capital impairment of the Commodity Credit Corporation, would be necessary, the bill is \$5½ million below the budget estimates. I admit that that is a very small amount for such a large bill, but the facts in the case are that appropriated funds for expenditures in the next fiscal year under the bill as passed, even conceding the validity of the Senator's statement as to the \$100 million, is \$5½ million below the budget estimates submitted by the President to Congress.

I do not understand how the Senator could possibly have mistaken an authorization of a program, for which appropriations will be made next year, for an expenditure item. The money may have to be expended, but if it is it will be in the next fiscal year. It cannot be expended unless the appropriation is made for it in the appropriation bill for the Department of Agriculture for the fiscal year 1961.

I make that statement, Mr. President, merely for the purpose of attempting to correct the RECORD. I am sure the distinguished Senator from Delaware, when he looks into it, will admit that so far as the expenditure total referred to is concerned his statement was completely in error.

Mr. KEATING. Mr. President, it strikes me that the Senator from Delaware, who appeared to have made a very convincing case, should be privileged to be present, so that we could have these two stalwart Senators discuss the matter, which is of such importance to both of them and to the Senate. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Does the Senator from Wisconsin yield to the Senator from New York for that purpose?

Mr. KEATING. I understand the Senator from Delaware is on his way to the Chamber and will be here shortly.

Mr. MANSFIELD. May I ask the Senator from Georgia a question?

Mr. PROXMIRE. I yield to the Senator from Montana for the purpose of his asking a question of the Senator from Georgia.

Mr. MANSFIELD. Did I understand the distinguished senior Senator from Georgia, the chairman of the Senate Subcommittee on Appropriations for the Department of Agriculture, to say that the bill as passed by the Senate yesterday is approximately \$5½ million below

the requests submitted by the President of the United States?

Mr. RUSSELL. It is \$105½ million below, but there is a question as to \$100 million of it. It will be necessary to make an appropriation of \$100 million at a later time, to restore the capital impairment of the Commodity Credit Corporation. I believe that we will have to appropriate it. However, adding up the appropriations made for expenditure in the next fiscal year, the bill is \$5½ million below the President's budget.

Mr. MANSFIELD. At the very least?

Mr. RUSSELL. Yes.

Mr. MANSFIELD. I thank the Senator.

Mr. PROXMIRE. Mr. President, I yield 3 minutes to the Senator from Texas.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. YARBOROUGH. Mr. President, as a member of the Committee on Interstate and Foreign Commerce, I was rather amazed to read in the New York Times this morning a report of the press conference yesterday quoting President Eisenhower on the question of the nomination of Lewis Strauss to be Secretary of Commerce. The President was quoted in the Times article as follows:

I have seen no criticism whatsoever of his work in the last 8 months, when he has been doing, filling the post. And, therefore, I see no reason whatsoever that he can't do it efficiently, no matter how long he stays there.

When the Chief Executive says that he has seen no criticism whatsoever of Mr. Strauss' work as Secretary of Commerce in the past 8 months, the natural question which comes to my mind is: Who has been misleading the President during the past 8 months? Are items derogatory of his appointments not brought to his attention? What are his advisers doing? Are they keeping the President misinformed?

In the hearings before the Committee on Interstate and Foreign Commerce on his nomination, Mr. Strauss reluctantly admitted that he had chosen Mr. Armand Erpf, a large railroad stockholder, to head a study of national transportation policy. Once the press had revealed Mr. Erpf's background of the ownership of railroad shares, his partnership in a large investment banking house, which is one of the principal holders of railroad shares in this country, it being one of the top 30 shareholders in 17 out of 29 of the largest railroads in the United States, there was shown beyond a peradventure of a doubt a conflict of interest unparalleled, without question, in the history of this Government, and so serious as to make impartial recommendations almost an impossibility. There then began a fumbling series of denials and evasions by the Department of Commerce which resulted in the withdrawal of Mr. Erpf from the assignment.

Speeches made on the floor of the Senate, and published in all of the Nation's newspapers, attacked this very

worst kind of conflict of interest. It was the loud public outcry of the press and of the elected representatives of the people which forced this retreat by the designee of Mr. Strauss.

In the light of the debate in Congress and the reports in the press of the United States, it seems more than passing strange that the President has said he has heard no criticism whatsoever of the nomination of Mr. Strauss during the past 8 months.

The hearings before the Committee on Interstate and Foreign Commerce also brought to a head the question of the veto by Mr. Strauss of an export of steel pipe. In answering a critical newspaper article, Mr. Strauss stated that "There was absolutely no difference between the State Department and the Department of Commerce on this"—the export license. We have positive proof that Mr. Strauss acted in the very opposite way from the State Department's recommendation.

Mr. President, I am not attempting to express an opinion concerning the merits of a controversy between the Secretary of Commerce and the Department of State on the export of steel pipe, because the nominee is so sensitive to press attacks that he will misrepresent the facts. But in the light of the controversy, it seems strange that we are told by the President that there has been absolutely no question raised during the past 8 months. So I am again forced to come back to the question: Who is misleading the President, and misleading him into loyalty to associates in preference to loyalty to the public?

I think it can be said most definitely that if the President has seen no criticism of Mr. Strauss' work as Secretary of Commerce, millions of other people have. I have. The criticism has been reported in all the newspapers of the country.

AGRICULTURAL APPROPRIATIONS

Mr. PROXMIRE. Mr. President, I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I was not in the Chamber a few minutes ago, but I understand the Senator from Georgia [Mr. RUSSELL] took exception to a statement I placed in the RECORD yesterday in which I said that the agricultural appropriation bill as passed by the Senate yesterday carried expenditures of \$220 million over and above the budget estimates, and provided loan authorizations for the Farm Home Administration of \$33 million above the budget estimate.

Mr. RUSSELL. No; that was not what I said.

Mr. WILLIAMS of Delaware. The appropriation bill does call for these appropriations over the budget estimates, and the figures to which I have referred were not in the tabulation appearing in the report submitted by the committee.

I said I would discuss the first figure, on page 12, which called for a cut in the ACP estimate next year of \$150 million. I know the Senator from Georgia's reasoning is that this is not an expenditure right at the moment; it is only a

commitment for next year. But I call attention to the fact that last year the administration recommended \$100 million for this item. The Senate increased it to \$250 million. As a result, this became a contractual arrangement. Once Congress passed the bill, there is a contractual arrangement and the payment must be made.

In the same bill there is a request for \$241,500,000. This amount was incorporated as a request of the Budget Bureau. That is correct. But the Budget Bureau was forced to ask for \$141,500,000 in that instance over and above what they wanted to spend as a result of the earlier action of Congress.

As a result of the action of the Senate yesterday when it rejected the amendment to cut the \$250 million item back to \$100 million, the Budget Bureau will have no alternative next year except to ask for an appropriation of \$240 million or \$250 million to pay for the contractual arrangements which must be made under that section of the bill.

I ask the Senator Georgia if I am not correct in my understanding that yesterday was the last chance which the Senate had to vote on this item.

Mr. RUSSELL. No; I do not think the Senator is at all correct.

Mr. WILLIAMS of Delaware. When can we vote on it again?

Mr. RUSSELL. We can vote on it again when the conference report comes before the Senate. I think the Senator's statement just now is as much in error as the statement which the Senator from Delaware made yesterday.

Mr. WILLIAMS of Delaware. No; it is not anything of the kind. What was the amount in the House bill? Was it not \$250 million?

Mr. RUSSELL. That is correct.

Mr. WILLIAMS of Delaware. What was the amount as passed by the Senate?

Mr. RUSSELL. The Senate can vote against the whole bill; the Senate can vote against the conference report.

Mr. WILLIAMS of Delaware. Yes; but this figure is not in conference and therefore cannot be changed. So if it cannot be changed, it will go to the White House providing for a direct payment of \$150 million which was not recommended by the Bureau of the Budget.

Mr. RUSSELL. The Senator from Delaware still has not replied to my statement.

Mr. WILLIAMS of Delaware. I will reply to the rest of the statement in a moment. Will the Senator speak about the \$150 million?

Mr. RUSSELL. The \$150 million, the Senator says, will be expended next year.

Mr. WILLIAMS of Delaware. That is correct.

Mr. RUSSELL. I say it will not be expended in the next fiscal year.

Mr. WILLIAMS of Delaware. I said it will be expended.

Mr. RUSSELL. No; the Senator did not. I have the RECORD of what was said.

Mr. WILLIAMS of Delaware. I know what I said, too.

Mr. RUSSELL. Perhaps the Senator was misquoted by the reporter.

Mr. WILLIAMS of Delaware. Let us discuss the question without any fancy shenanigans.

Mr. RUSSELL. I am willing to stand on the RECORD as to whose figures are shenanigans in this instance.

Mr. WILLIAMS of Delaware. If the bill goes to the White House with this figure, it will be the last chance Congress will have to do anything about the matter because the administration will be under a directive to commit that expenditure, and it will be committed in the first half of next year because, as the Senator very properly said in debate yesterday, we could not offer an amendment to cut all the \$241,500,000 yesterday because of other contractual relations.

The integrity of the U.S. Government is involved. It will be involved next year. And this time next year we will still be operating in fiscal 1960.

This is the last time that Congress will have an opportunity to operate on this matter so far as this particular item is concerned. There can be no doubt about that. Even the committee report says that the amount is \$150 million over and above that which was recommended by the Bureau of the Budget. Also, there is no question that that item is not included in the tabulation on the first page of the committee report. If there is any difference, I will yield to permit the Senator from Georgia to take exception to my statement.

Mr. RUSSELL. I take exception to it because this is an authorization, not an appropriation. These bills have been carrying appropriations for one year and authorizations for another year. The Senator has lumped the two together for the next fiscal year. He has done it time and again. The Senator says the bill provides an expenditure next year of \$220 million additional. The bill does not do any such thing.

Mr. WILLIAMS of Delaware. They are mandatory expenditures. It is the same line of reasoning in reverse from that of the Senator from Georgia. The \$241,500,000 item in this bill would have only been \$100 million had the Bureau of the Budget recommendation last year been carried out. But Congress overrode the Budget Bureau last year, just as the Senate did yesterday. As a result, yesterday the Senate was confronted with no alternative; all the Senate could do then was vote to pay the \$241,500,000.

If this year we say we take no responsibility for exceeding the amount of the budget estimate and if we say the same thing next year, then I ask the Senator from Georgia when will the Congress take the responsibility for exceeding the amount of the budget estimate?

On this program we are now spending \$150 million in excess of the recommendation by the administration. There is no argument about that.

Mr. RUSSELL. Mr. President, there certainly is a great deal of argument about it. The facts are greatly different.

Mr. WILLIAMS of Delaware. But I do not think the Senator from Georgia, in operating a business of his own, would make any such distinction. In other words, on yesterday the Senate in effect

signed a note committing the Government to these payments. Following that action, next year the Senator from Georgia would be the first to rise on this floor and object to a proposal, not to make the full payment of \$250 million but to allow only \$100 million because in May of this year the Bureau of the Budget asked for only \$100 million. In that event, the Senator from Georgia would argue next year, just as he did yesterday in regard to the \$241,500,000, that it was a commitment of the Government and that the Government should not then attempt to dishonor its commitment.

I agree fully that once the Congress takes this action and once the bill is signed by the President, from that time on, the Secretary will have no authority under the law except to expend these funds as best he can under the instructions given by Congress. In other words, he will not then be at liberty to impound any of the money in this fund.

If all the money in the fund is not to be spent at one time or another, why did the Senator from Georgia include in the report a claim that the bill as reported to the Senate by the Senate Appropriations Committee represents, in connection with the item for restoration of the capital of the Commodity Credit Corporation, a reduction of \$100 million in the budget item? That estimate in regard to restoration of the capital of the Commodity Credit Corporation is based upon actual losses incurred, as reported. Those losses have actually been incurred, the commodities have been sold, and the losses have been established. So there is no possibility of any recovery. Therefore, under the law the Congress is required to restore to that extent the capital of the Commodity Credit Corporation.

I fully agree that it would make no difference whether the capital of the Corporation was restored yesterday or next year or exactly when. In any event, it must be restored. Such an item does not actually constitute a saving; it does not constitute a saving of \$100 million because that money has been lost. Whether the loss is recognized by us today, tomorrow, or next year is immaterial.

If that point is contested, then I ask why not remove or eliminate the entire item for \$1,500 million, which is the estimated loss. In that event there would really be a saving. But the Senator from Georgia and I know that that loss has occurred; the money has been spent and is gone regardless of when we say the loss occurred. In any event we must agree that there is no basis on which the loss could be recovered.

I agree that the Corporation could operate without our making this restoration at this time, for as of the moment the Corporation has additional borrowing authority which it has not yet used. So the Corporation could continue to make these obligations so long as it continued to have unused borrowing authority and so long as it continued to have an inventory which it could use. Once that authority was exhausted and once that inventory was used up, however, the Corporation would not be able

to continue to operate unless further provision were made by the Congress.

In any event, certainly we agree that there is no need for Congress to recognize that loss at this particular time. In other words, the transaction is a bookkeeping transaction only; and I believe the Senator from Georgia admitted that only yesterday.

Mr. RUSSELL. Mr. President, the Senator's statement would seem to indicate that I have been charged with something. As a matter of fact, I have previously stated that the transaction was a bookkeeping transaction.

Mr. WILLIAMS of Delaware. And that it was not a bona fide saving.

Mr. RUSSELL. I said earlier that we would have to make an allowance for it in a subsequent appropriation bill. I made no claim about a saving in the case of the \$100 million.

Mr. WILLIAMS of Delaware. On the first page of the committee report, the Senator from Georgia claimed there is a saving of \$105 million—

Mr. RUSSELL. Mr. President, I did not make such a claim. I said that the bill as reported to the Senate by the committee called for appropriations which were \$105 million under the Budget estimates. But on the front page of the report there is no statement that we claim any saving of \$100 million.

Mr. WILLIAMS of Delaware. On the front page of the report there is a statement that the amount of the bill, as reported, is \$105 million under the estimates for 1960.

Mr. RUSSELL. That is correct.

Mr. WILLIAMS of Delaware. Does not that include the \$100 million?

Mr. RUSSELL. It does. But the report does not say that there is a saving.

Mr. WILLIAMS of Delaware. I know that.

Mr. RUSSELL. We say the recommended appropriations are under the estimates. And they are under the estimates, despite the contention of the Senator from Delaware.

Mr. WILLIAMS of Delaware. But the Senator says they are \$105 million under the estimates.

Mr. RUSSELL. Yes.

Mr. WILLIAMS of Delaware. But \$100 million of that item alone is not a saving. Will the Senator from Georgia admit that?

Mr. RUSSELL. No, Mr. President; I do not admit that. I stated that. The Senator from Delaware would seem to seek to give the impression that he had dug into this matter and had made some wonderful discovery. However, everyone who knows anything about the bill has known all along that if there is any impairment of the capital of the Commodity Credit Corporation, Congress at one time or another must make it good.

Mr. WILLIAMS of Delaware. That is correct.

Mr. RUSSELL. And we will make it good.

Mr. WILLIAMS of Delaware. And that is the point I made.

But in the last line of the committee report, the committee states that the bill as reported by it to the Senate is

under the estimates for 1960 by \$105 million. But \$100 million of that represents what the Senator from Georgia now admits—well, I shall state that both of us now agree—was not a saving.

The reason I corrected the record or the story which went out over the wires of the press is this: They very properly looked at the report, which states that the bill as reported to the Senate, and as subsequently passed by the Senate, represented a saving under the 1960 estimates of the budget of \$105 million plus.

Now the Senator from Georgia and I are in agreement—I will not say by means of an admission, but I will say it is by means of a statement—that at least \$100 million of that amount was not a true saving and that in fact that figure should have been changed to \$5 million.

Mr. RUSSELL. No, Mr. President; I do not admit that.

Mr. WILLIAMS of Delaware. I do not ask the Senator from Georgia to admit it. Will he state it?

Mr. RUSSELL. And I do not state it that way. I state that we shall have to make good whatever deficiency exists.

Mr. WILLIAMS of Delaware. That is correct.

Mr. RUSSELL. And undoubtedly it will be more next year.

Mr. WILLIAMS of Delaware. That is correct; there can be no doubt about it.

Mr. RUSSELL. Next year there will be before us an item, in the bill for 1961, for an additional amount for this purpose, but I was not referring to that. I was referring to the statement made by the Senator from Delaware—and he stated it four or five times.

Mr. WILLIAMS of Delaware. And I will state it four or five times more.

Mr. RUSSELL. And the Senator from Delaware will be in error every time he states it. He stated that the bill provides for expenditures in 1960 which are \$220 million above the budget estimates. But the bill does no such thing.

Mr. WILLIAMS of Delaware. I said the bill provides for these expenditures, and I said we will be committed to them; and I still say so.

Mr. RUSSELL. Yesterday, the Senator from Delaware did not use the word "committed." He said, "That leaves an increase of \$220 million which this bill, just passed by the Congress, will call for in expenditures in the next year—"

Mr. WILLIAMS of Delaware. That is right.

Mr. RUSSELL. "Over and above the administration request."

Mr. WILLIAMS of Delaware. Yes; and there is no question about it.

Mr. RUSSELL. There is no question about the fact that the statement, as made by the Senator from Delaware, is wrong.

Mr. WILLIAMS of Delaware. After all, both the Senator from Georgia and I expect to be here next year and the following year. And when the appropriation bill for the Department of Agriculture comes before the Senate next year, and when the item for the ACP is under discussion in the Senate next year, the Senator from Georgia will argue for the appropriation of \$250 million to

pay for what the Senate voted yesterday, and he will say that that was a commitment and that it constitutes a contractual obligation which the Senate cannot ignore. But the Senator from Georgia is ignoring the fact that when one signs a contract for the purchase of an automobile at a total price of \$3,000, he really makes a \$3,000 purchase at the moment he signs the contract, even though the contract calls for a deposit of only \$200 on that particular day.

Of course, it might be argued that after the \$200 payment was made, the \$2,800 remaining would not actually have to be paid until a later time. But the fact is that the purchase in the amount of \$3,000 would really have been made at the time when the contract for purchase of the automobile for a total price of \$3,000 was signed.

Mr. RUSSELL. Mr. President, the Senator from Delaware did not previously say anything about this matter in terms of the purchase of an automobile. He used the term "expenditures," and he used that term three or four times.

Mr. WILLIAMS of Delaware. And I say that again because when a contract for the purchase of an automobile for a total price of \$3,000 is signed, the purchaser is committed to payments totaling \$3,000, even though he does not necessarily pay all of the \$3,000 on the day he signs the contract.

None of the appropriation the Senate voted on yesterday will be spent until various times in 1959 and 1960—at periods scattered through those 2 years.

But I say that yesterday was the last chance the Senate or the Congress had to vote on that item, unless the item is taken up in the conference report.

The soil bank payments—the other item to which I referred—are \$75 million. That item is to be found on page 19, in line 6. But in the committee report the Senator from Georgia clearly states that that amount is \$75 million over the budget estimate.

In addition, under the soil bank provisions, of the Government, under the provisions of the bill as passed by the Senate, signs contracts under this program with farmers to pay them "X" amount and acre for placing their land in the soil bank, next year those commitments will have to be met and those payments will have to be made.

If Senators wish to be very technical in regard to expenditures, I may point out that although I spoke of \$75 million, the Senator from Georgia knows that approximately half of that particular item is in long-range contracts, which can run for 10 years; and, in reality, about half of those payments can be recurring payments which the Government will have to make 6, 8, or 10 years from now. I think the Senator from Georgia will have to admit that the soil bank payments are not limited to next year. They can be recurring payments, coming back year after year, for the life of the contract, for whatever period of time it is signed.

The House limited the period to 5 years. The subcommittee of which the Senator from Georgia is chairman struck out that limitation and provided

that contracts could be made for 10 years, aggregating up to \$450 million a year. The Budget suggested that these contracts be for only \$375 million a year.

I say that once the Congress authorizes the U.S. Government to sign contracts for payments to an American farmer or an American industry, it becomes just as much an obligation of the U.S. Government as it would be if a check had been written and delivered.

Yesterday was the last chance we had to deal with the matter. It is not like authorizing construction of a dam or something that Congress can rescind the next year, or can slow down. These are contracts actually authorizing money. Altogether these contracts come to \$325 million. There is an additional \$75 million for the soil bank according to the statement which appears on page 9 of the committee report, where it is stated that the committee exceeded the budget estimate by \$75 million.

On page 6 of that report it is stated that the budget estimate was exceeded by \$150 million.

By our statements—I do not like to use the word "admission," but by statements made on the floor—we both stated that the allegation of a saving of \$100 million was a false claim for savings.

Mr. RUSSELL. Nobody ever claimed it was a saving.

Mr. WILLIAMS of Delaware. I did not understand the Senator from Georgia.

Mr. RUSSELL. No one has ever claimed it was a saving.

Mr. WILLIAMS of Delaware. I beg the Senator's pardon. That is stated in the committee report. It states that is the amount below the budget estimate, and it is included right in the Senator's estimate as he submitted it to Congress.

The point I am making is that they are not savings. I say the committee has not saved that amount of money. The best evidence of that fact is, if this amount did not increase the figure above the budget estimate, why did the Senator reject the amendments to reduce the amount to the budget estimate?

The only statement I wish to make is that if we continue to save money as it is purported it has been saved in the committee report, we are going to save ourselves into bankruptcy. Perhaps that is the reason why we have such a large debt.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Georgia.

Mr. RUSSELL. After first referring to the soil bank item, the Senator from Delaware turned to another item, which I had not discussed yesterday, and wound up with a strong statement on the general dangers of a deficit. I am in hearty agreement with the Senator's last statement. While I did not approve of his amendments to the bill, I have been rather consistent in my insistence on reducing the expenditures of the Government, and for that reason I earnestly labored, in the consideration of this bill, to bring the appropriation of funds for expenditures to be made in the next fiscal year below the amount of the budget

estimate that was submitted by the administration.

I think it will be conceded by any person who has any familiarity with this item, and who desires to approach it in a fair manner, that so far as appropriations for expenditures in fiscal 1960 are concerned, this bill is, according to any standard, even conceding the \$100 million for the restoration of the capital impairment of the Commodity Credit Corporation still \$5½ million below the budget estimates submitted by the executive branch of Government in the annual budget request for fiscal 1960.

However the budget for this item was created, whether it grew out of contracts entered into 1 year ago, 2 years ago, 3 years ago, or out of contracts sought to be entered into for performance in the future, the budget estimates were submitted pursuant to law. Incidentally, most of these items, such as the soil bank item, to which he has made reference, came from the committee of which the Senator from Delaware is a member. I am not a member of the Committee on Agriculture and Forestry. These are programs proposed by the present Secretary of Agriculture, Mr. Ezra Taft Benson, and by the President of the United States. They were presented to the Congress and urged on the Congress by the present administration.

For my part, I never had any great confidence in any part of the soil bank program. I never believed it could be effective in achieving a balanced agriculture, and I have no such belief today. But the administration asked for it, and the bill was enacted by the Congress. Under this law many contracts have been entered into and, so far as I am concerned, I shall undertake to see that adequate funds are appropriated to discharge those contracts.

I shall not undertake to correct all of the very obvious errors the Senator from Delaware made in the course of his discussion. One more illustration is reference to a \$25 million error in connection with the agricultural conservation program. He stated at least four times, and I think more, that last year the administration sent to the Congress an estimate of only \$100 million authorization for the agricultural conservation program. The fact of the matter is, and I have the figures before me, that last year the administration was a little more generous than it was this year, and sent to the Congress an estimate of \$125 million for the program authorization for the 1959 program.

That is one of the minor errors in the Senator's statement.

Mr. WILLIAMS of Delaware. The committee granted \$250 million that year, did it not?

Mr. RUSSELL. The Congress did. The Senator is correct in that figure, and I am delighted that he is.

Mr. WILLIAMS of Delaware. If the—

Mr. RUSSELL. If the Senator will indulge me—

Mr. WILLIAMS of Delaware. Very well.

Mr. RUSSELL. The Senator stated that every dollar of authorization for

contracts requires the same amount of appropriations to be made the next year, to meet the obligations. The truth is there is nothing in the history of this legislation to show that is a correct statement. We came about as close to it on the ACP program this year as we ever have. There was a \$250 million authorization for the 1959 program, which requires an appropriation of \$241.5 million to meet the estimated commitments under it.

Last year we authorized \$375 million for the soil bank, and this bill carries only \$340 million to meet the program and operating costs. So the Senator's crystal ball showing that we are going to spend every last dollar authorized for these programs—even conceding that he is right when he says it will take place in the same year—is certainly one that informed men might look at with amazement.

Last year, for the soil bank program we authorized \$375 million, and appropriated \$200 million, and only about \$145 million of this will be needed to meet actual costs of contracts' payments and administrative expenses. Thus about \$30 million was transferred to cover pay costs, and about \$20 million of the sum remaining will be carried forward to fiscal 1960. So, by any standard used to gage it, when the Senator says the authorization requires an expenditure of \$220 million above the budget for next year, that kind of a statement simply is not sustained by the facts.

Mr. WILLIAMS of Delaware. I only wish the Senator from Georgia had been as enthusiastic yesterday about this money not being spent as he is today, in which event he would have voted with me to cut the amount back to the budget request.

The Senator mentioned that the soil bank in the minds of many Members of Congress has not been a success. I agree with him and so stated yesterday. Only 2 days ago I heard one of the prominent orators on the other side of the aisle make reference to one of the Eisenhower "golf course" programs. It was interesting to note yesterday that those who think the program has been such a tremendous failure and who have talked about Benson's failure not only endorsed the program by their votes but actually added to it another \$75 million and said, "The only trouble is that we are not spending enough money on this program. All the money we have been saying we have been throwing away involves an error in that we have not been throwing away enough."

Even the Senator from Georgia yesterday not only voted for the continuation of the program as recommended by the administration, but he said in effect, "I want to give you more than you think you need. Go out and spend another \$75 million."

As I said yesterday, if we want to cut and balance the budget, there is only one time the Members of the U.S. Senate can do so, and that is when the vote is taken. Unfortunately, speeches on the floor of the Senate in favor of balancing the budget do not mean anything.

The only time we ever get anywhere is when we answer the call of the roll.

I say again that when the two yeas-and-nays were taken yesterday we added \$225 million over and above the President's budget estimates, and neither of those items was included in the tabulation in the committee report as it came from the Committee on Appropriations. Both those items will be conveniently dropped from the report this year. However, when the request comes in next year for the payment of those items, since they are over and above the budgetary estimates it will be said, "The administration requested it." It is the same as when the administration was forced to request the \$241½ million to pay for the \$100 million estimate of the preceding year.

I do not say that I did the right thing when I offered the amendments to cut these amounts yesterday. I recognize I could have been in error. I recognize that there are good arguments in favor of the programs.

On the other hand, when we vote to increase these appropriations, let us not be ashamed of it. Let us put it down and tell the taxpayers, "We are raising the amounts above the budget estimates because we think these are good programs and more money should be spent on them."

I say again that the bill carried a total of \$253 million, including the \$33 million loan authorization, over and above the amounts recommended by the President. However, the loan authorization should not be counted, even though that money may be expended from the Treasury as a direct expenditure because those loans will be secured by mortgages and will be repayable. I merely include them as items in the committee figures.

With regard to the other items—the \$75 million for the soil bank program over the budget estimates, the \$150 million for the ACP payments over the budget estimates, and the \$100 million with regard to restoration of capital for the Commodity Credit Corporation, which was claimed to be a savings—they are found in the report on pages 6, 9, and 12, and are identified by the committee itself, rather than by the Senator from Delaware, as being over the budget estimates.

Mr. RUSSELL. Mr. President, if the Senator from Delaware had made the statement yesterday which he has made today, I would never have taken the floor. The statement the Senator has just made is very extravagant, but the Senator did not repeat his error of yesterday, in stating two or three times that these were provisions calling for the expenditure in the next fiscal year of these funds. I am surprised the Senator from Delaware will not admit that was an incorrect statement.

Mr. WILLIAMS of Delaware. I will admit that the provisions do not call for expenditure in entirety. I will call this a statement since the Senator will like the word better. I will say that 90 percent of the money will be required, and yesterday was the last chance we had to effect a saving.

What the Senator pointed out with regard to the soil bank appropriations is true. A year or two ago those appropriations were lowered, but we should not forget that the Congress made a major change in the soil bank law when we put a limitation on the amount which any one individual could receive. We cut out some of the million-dollar payments under the soil bank program by providing a \$5,000 ceiling. I commend the committee for carrying that ceiling forward and for even tightening it up. That will save some money for the taxpayers.

I think the ceiling which we put in the bill yesterday by providing a \$50,000 limitation will save a lot of money for the taxpayers. It will bring the payments down next year below the estimates.

I say again, so far as the soil bank payments and administration are concerned, when the Department signs a contract, whether we pay for it today or tomorrow, it must be paid for. Once we buy a car, take title, and sign the finance papers, we either pay for it or we owe for it.

Mr. RUSSELL. Mr. President, there is no question that the Congress has authorized the soil bank program. I would certainly be the last to challenge the statement that if the Government of the United States enters into a contract it will have to fulfill the contract at one time or another and by some means or another.

I do not know all the answers. I imagine before it is over, and over a period of years a large amount of money will need to be appropriated to pay for the contracts under the conservation reserve. Probably over a period of 10 years a billion dollars will have to be paid. The Senator certainly would not say that is an expenditure for next year.

Mr. WILLIAMS of Delaware. I did not say it was an expenditure for next year.

Mr. RUSSELL. That would cover a 10-year period. That would be the total cost of the program.

Mr. WILLIAMS of Delaware. However, we are committed to pay it. The payments could increase over a 10-year period. There will be no recourse whereby we can get out of the commitments unless we renege on them, and neither the Senator from Georgia nor I would agree to that.

Mr. RUSSELL. I see that the Senator's complaint is against the soil bank program. In that case the Senator's position is completely justified.

The point I wish to make, Mr. President, and which I want to state this again—is that with regard to the expenditures in the next fiscal year, even allowing the \$100 million which was discussed by the distinguished minority leader, the bill calls for \$5½ million under the budget estimates.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement made by the House Subcommittee on Appropriations for the Agriculture Department, relating to why the subcommittee reduced the item for the restoration of the impairment of the capital stock of the Commodity Credit Corporation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPT FROM HOUSE REPORT

As discussed in considerable detail earlier in this report, the committee recommends a cut of \$100 million in this item for 1960. This reduction is made to encourage the Corporation to make greater efforts to sell commodities in world markets at competitive prices. Such a sales effort will result in great savings in storage, interest, and handling, and will enable the Corporation to meet its obligations from sales proceeds rather than from appropriated funds.

Mr. RUSSELL. Mr. President, I also ask unanimous consent to have printed in the RECORD the very brief statement of the Senate committee in the report, which states our reason for following the House action.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM SENATE COMMITTEE REPORT

The committee recommends an appropriation of \$1,435,424,413, which is \$100 million under the budget estimate, and the amount of the House allowance.

The committee shares the views expressed in the House report that the Secretary of Agriculture and the officials of the Corporation should make greater efforts to dispose of Government-owned commodities in the world markets and to thereby reduce the cost of storage, interest, and handling charges.

Mr. RUSSELL. Mr. President, this is not extremely important, but I simply wish to keep the record straight and to show that there was a reason for the action taken by the committee and it was not simply a juggling of the figures.

The payments must come out of the pockets of the taxpayers in the long run, whether the money is appropriated now, whether the Commodity Credit Corporation borrows the money, or whether the Treasury Department borrows it. The taxpayers will ultimately pay any cost involved. This is an obligation, as I stated on yesterday, and it will have to be met.

Mr. President, I also ask unanimous consent to have printed in the RECORD the budget estimate of this year for the funds with which to meet the soil bank authorization of \$375 million of last year, as well as the record of authorizations and appropriations since the inception of the conservation reserve program.

There being no objection, the authorizations and appropriations were ordered to be printed in the RECORD, as follows:

Conservation reserve¹—Advance authorization

Estimate:	
1956	\$450,000,000
1957	450,000,000
1958	450,000,000
1959	450,000,000
Enacted:	
1956	450,000,000
1957	450,000,000
1958	325,000,000
1957	375,000,000
Estimates:	
1958	298,826,660
1958 (pay-transfer out)	-9,752,478
1959	350,000,000
1960	360,370,000

Footnotes at end of table.

Conservation reserve¹—Advance authorization—Continued

Appropriations:	
1958	\$162,940,000
1958 (pay-transfer out)	-9,752,478
1959	200,000,000

¹ Public Law 85-352, 2d Supp. 1958 to reimburse CCC for costs incurred for 1956-57 programs amounting to \$38,845,780. Law provided \$450 million each year 1956-60 programs.

² Less \$28,668,107 pay cost transfer out in Public Law 86-30; and estimated carryover to 1960 of \$20 million.

Mr. RUSSELL. Mr. President, I do this because it happens that the budget estimate was about \$360 million. Even in the Department's view—which is the most roseate—they have not been able to obligate all the money provided for this program in prior years. In spite of this the Senator has insisted that the appropriation and the increased authorization all represent and expenditure in the same year.

The Senate committee recommended an appropriation of \$35 million less for expenditure in fiscal 1960 than the authorization carried in last year's bill.

The figures with respect to the ACP program speak for themselves. There was an authorization last year of \$250 million. The budget estimate for this year is \$241.5 million. As a rule, the actual out-of-pocket expenditures run somewhat below the amount estimated as needed in the appropriations. It would be the first time in the history of the program if the actual expenditures should amount to the \$241.5 million authorization which is appropriated this year for the 1959 program.

Mr. President, in order to show that these appropriations are not always expended, as the Senator stated on yesterday, I ask unanimous consent to have printed in the RECORD the estimates for the advance authorization for the agricultural conservation program commencing with the year 1951, the amounts which were actually authorized by the Congress in the appropriation bill, and the amounts which were actually appropriated year by year to meet these authorizations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ACP—Advance authorizations

Estimates:	
1951	\$285,000,000
1952	285,000,000
1953	256,500,000
1954	140,000,000
1955	250,000,000
1956	175,000,000
1957	250,000,000
1958	250,000,000
1959	125,000,000
Enacted:	
1951	285,000,000
1952	256,500,000
1953	250,000,000
1954	195,000,000
1955	250,000,000
1956	250,000,000
1957	250,000,000
1958	250,000,000
1959	250,000,000

¹ \$55,000,000 earmarked for use under diverted acres program.

ACP—Advance authorizations—Continued

Appropriations:	
1951	\$256,500,000
1952	260,000,000
1953	251,747,866
1954	211,982,000
1955	191,700,000
1956	214,500,000
1957	227,500,000
1958	212,000,000
1959	235,000,000

Mr. RUSSELL. Mr. President, these figures indicate that although we have authorized \$250 million, on occasion it has only required an appropriation of \$191 million to meet the commitments made under the authorization. There has been a carryover of more than \$40 million.

I certainly do not wish to be charged with responsibility for every statement made by every Senator on the floor, about golf links, or other matters irrelevant and immaterial in connection with this appropriation bill. I shall state why I shall gladly vote the full amount of the authorization for the soil bank, and \$250 million for the agricultural conservation program for the year 1961. Appropriations will be made next year for that purpose. If the full amount of the authorization is required, I shall support such an appropriation. I rather apprehend that we shall not have any \$450 million program for the soil bank. I wish we could have it. But, knowing some of the dangers of legislative procedure, I say that in my judgment we shall not have that large a sum. A very substantial reduction will be made before the bill is finally enacted. But if the entire \$450 million were authorized, and if the Department were able to enter into contracts—which it has never been able to do—for the full amount of the authorization, I would support an appropriation in that amount. I would do so because that is the only farm program today which actually reaches the farmer and assures him of getting some good from it. Other programs have fallen apart because of maladministration and for other reasons. Today the farmer occupies the most unenviable position of any group in the American scheme of life. I shall be glad to support the programs referred to.

I hope the Senator from Delaware will not take any exception to these statements. The administration has requested that the soil bank be extended for 3 more years. I am opposed to that proposal. In my opinion Congress does not intend to extend it. That is another reason why I think the authorization by the Senate—even though it will not finally be approved in that amount—is justified.

I merely rose to point out that the statement that expenditures for the fiscal year 1960 had been increased by \$220 million was not justified by the facts.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield 1 minute to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I do not intend to prolong

this discussion. There is a difference of opinion between the Senator from Georgia and myself. The Senate has voted, and that is the end of the dispute.

There is agreement that the \$100 million item should not have been included as a deduction, and that the figure in the committee report should have been \$5 million instead.

As to the other two items with respect to which the Senate voted by a ye and nay vote and added \$150 million to the ACP payments and \$75 million to the soil bank, I can only say that next year, when the appropriation bill comes before us, we can pick up this record and continue from there. We can then see who is right and who is wrong.

[Mr. JAVITS addressed the Senate on the question of the nomination of Lewis L. Strauss to be Secretary of Commerce. Mr. JAVITS' remarks will be published hereafter.]

POSTAL POLICY WITH RESPECT TO PUBLIC SERVICE ITEMS

Mr. JOHNSTON of South Carolina. Mr. President, last year this Congress approved Public Law 85-426. Included in this law as title 1 was a statement on postal policy.

This title is very clear. Certain items are listed as public service items—the total loss of which shall be earmarked and paid for from general appropriations.

The appropriation bill passed by the Senate and House yesterday failed miserably to conform with these sections. The statements included in the Senate report and the conference report on the part of the House on public policy are in direct conflict with the law.

Regardless of these statements in committee and conference reports—Public Law 85-426 still is the law—and will remain the law until an amendment has passed this Congress and has been signed by the President.

Public service costs in third- and fourth-class post offices do apply to fourth-class mail. To say otherwise, indicates complete unfamiliarity with the public law.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. ENGLE. Mr. President, the National Association of Secondary-School Principals, by action of its executive committee and its officers, has advised that this organization strongly opposes the confirmation of Admiral Strauss as Secretary of Commerce.

The association is a department of the National Education Association with headquarters in Washington. They claim they represent 28,600 secondary schools enrolling 8 million students, 2 million of whom are new each year.

Their principle objection to Mr. Strauss is that he refused to accept correct information after he had used incorrect and inadequate facts in an address before Thomas Alva Edison Foundation. This was while Mr. Strauss

was Chairman of the Atomic Energy Commission.

Mr. President, I ask unanimous consent that the letter from the National Association of Secondary-School Principals be printed at this point in the RECORD. The officers of the association are president, Mr. Cliff Robinson, director of secondary education, Eugene Public Schools, Eugene, Oreg.; first vice president, Mr. James E. Nancarrow, principal, Upper Darby High School, Upper Darby, Pa.; and second vice president, Mr. James D. Logsdon, superintendent-principal, Thornton Township High School and Junior College, Harvey, Ill. The members of the executive committee are Mr. Eugene S. Thomas, principal, Central High School, Kalamazoo, Mich.; Mr. Calloway Taulbee, principal, Artesia High School, Artesia, N. Mex.; Mr. John M. Sexton, principal, Northeast High School, St. Petersburg, Fla.; and Mr. Samuel M. Graves, principal, Gamaliel Bradford High School, Wellesley, Mass.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF
SECONDARY-SCHOOL PRINCIPALS,
Washington, D.C., May 12, 1959.

HON. WARREN G. MAGNUSON,
U.S. Senate, New Senate Office Building,
Washington, D.C.:

By action of the executive committee and its officers of this association representing 28,600 secondary schools enrolling more than 8 million students with a revolving pattern of 2 million new students each year, I am authorized to convey to you for admission to the records their attitude on the selection of Rear Adm. Lewis L. Strauss as Secretary of the Department of Commerce. This representative group strongly opposes the confirmation of Rear Admiral Strauss as Secretary of the Department of Commerce.

In November 21-22, 1955, Rear Admiral Strauss, at that time Chairman of the Atomic Energy Commission, made an address at the sixth annual conference of the Thomas Alva Edison Foundation Institute in West Orange, N.J., which received the headlines of the press, including the New York Times the following day. Rear Admiral Strauss berated the quality of the teaching of science and mathematics, and based his opinions and conclusions on incorrect and inadequate facts. Any citizen is entitled to express his opinion on the quality of teaching in the American public schools. We, however, believe that when such a personal appraisal is propounded for the public press it should be based on facts that are thoroughly substantiated and established from authoritative sources. The main point of his declamation was the lack of teaching of science and mathematics supported by inadequate and shabby statistics which he submitted in his address and which were repeated in the press.

A short time after this address, officials in the National Education Association called his attention to the incorrect facts and statistics which were the basis of his presentation at the Edison Foundation. He, however, was entirely unwilling to go into conference or to acknowledge any assistance which would put him into possession of the full facts and information.

Any man can make an honest mistake; but if he continues to make the same mistake in public presentations after the error of his ways are called to his attention by responsible officials and after the full and correct facts and information are offered to him, we feel such a man is operating in a vindictive manner and on an unethical basis.

Rear Admiral Strauss' address was the forerunner of many such addresses throughout the country; and whenever a suggestion was made to other prominent persons regarding the inaccuracy of the statements, we were always told that the authority was Rear Admiral Strauss, which in itself, as far as the general public was concerned, seemed adequate and acceptable.

As prominent a man as ex-President Herbert Hoover addressing a group of engineers, Vice President Nixon, and others used Rear Admiral Strauss' half-true, inadequate facts to berate the inadequacies and quality of the teaching of mathematics in the preparation of engineers and scientists.

Rear Admiral Strauss did inestimable damage in shattering the public confidence people normally have in their schools and was unwilling by his future actions to make any correction, even though no public retraction was ever requested of him.

We, speaking from secondary education, do not believe that such a man, a purveyor of half-truths, operating in an unethical manner, and unwilling to correct what may have been an inadvertent or an honest error, should hold such a prominent position as Secretary of the Department of Commerce. The Secretary must always be above suspicion to all people and at no time should there be any question of the pronouncements, the reports, or the work of the Department of Commerce to the educational authorities of this country or to the public in general by the Secretary of Commerce.

We trust that you will give this full consideration and enter this statement on the records of the committee.

PAUL E. ELICKER,
Executive Secretary.

MEMORIAL DAY ADDRESS AT ANTIETAM BY SENATOR BEALL

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD the eloquent address delivered on Memorial Day, Saturday, May 30, by the junior Senator from Maryland [Mr. BEALL] on Antietam Battlefield.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. J. GLENN BEALL, OF MARYLAND

On the hallowed grounds of the Battle of Antietam, on this Memorial Day of the year 1959, we who are here honor all Americans who have fallen in battle. In this observance, we are joined by hundreds of similar gatherings throughout our land.

One lesson, which history—and especially our own—should have taught us is that we should work together—united. However, it sometimes appears that this lesson has been lost. A case in point is the present squabble between the units of our armed services.

We are now witnessing the sorry spectacle of the Army and the Air Force fighting publicly over whose antimissile missile is the better. The Army says that its Nike-Hercules is better than anything the Air Force can produce. The Air Force says: "No, no, our Bomarc is far better—no more money should be spent on the Nike-Hercules." And now, the Navy makes it a three-way fight by saying that both missiles would be obsolete by the time they could get into production.

One staff officer tells us that we have nothing to worry about—that we can break the back of any foe with present weapons. Another tells us we are way behind—that without new weapons in production at once we are in danger.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued June 19, 1959
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Adjournment.....	24
Advisory commission.....	26
Agricultural appropriations.....	2
Alaska.....	20
Appropriations	2,11,12,13,14,40
Atomic energy.....	10,48
Audit.....	5
Buildings.....	37
C.....	3,38
Civil defense.....	41
Conservation.....	16,36
Contracts.....	23
Crops.....	10
Economic policy.....	9
Electrification.....	5,43
Fair trade.....	32
Farm program.....	9,22
Federal-State relations..	7
Food.....	10
Foreign aid.....	3,30,46
Foreign currencies.....	3
Forest Service.....	40
Housing.....	8
Imports.....	21
Information.....	39
Interest rates.....	27,47
Intergovernmental relations.....	26,45
Lands.....	18
Minerals.....	17
Monopolies.....	31
Mutual security....	3,30,46
Natural resources.....	9
Price supports.....	1,38
Public debt.....	47
Reclamation.....	23,44
Recreation.....	25
Saline water.....	6
School lunches.....	42
Science.....	19
Soils.....	10
Sugar.....	4
Surplus commodities.....	3
Surplus property.....	29
Trade.....	21
Water pollution.....	15
Wheat.....	1,34
Wildlife.....	20,35

HIGHLIGHTS: House rejected conference report on wheat bill, and returned bill to conference. House conferees were appointed on USDA appropriation bill; permission granted until June 22 to file conference report on bill. House passed mutual security authorization bill. Rep. Lane criticized proposed permanent extension of Sugar Act. Senate passed Commerce appropriation bill.

HOUSE

1. WHEAT. Rejected, 202 to 214, the conference report on S. 1968, the wheat bill (pp. 10119-28). Agreed to a motion by Rep. Albert to return the bill to conference for further consideration (p. 10128). Conferees were appointed (10128).
2. AGRICULTURAL APPROPRIATION BILL, 1960. Conferees were appointed on this bill, H. R. 7175, and permission was granted until midnight June 22 to file a conference report on the bill (p. 10119). Senate conferees have already been appointed.
3. MUTUAL SECURITY. Passed, 271 to 142, with amendments H. R. 7500, to extend the mutual security program (pp. 10128-165). Agreed to an amendment by Rep. Gary

to permit the use of foreign currencies for the "purchase and dissemination," in addition to the translation, of scientific books and treatises (pp. 10145-6). Rejected, 47 to 96, an amendment by Rep. Wolf to authorize the President for a 10-year period to donate not to exceed \$250,000,000 worth of CCC surplus commodities annually to the United Nations for famine relief abroad (pp. 10146-49).

4. SUGAR. Rep. Lane criticized proposals for the permanent extension of the Sugar Act, contended that "sugar is a completely controlled commodity," and stated that the "Director of the Sugar Division of the Department of Agriculture admitted that the administration of the Sugar Act has been in accordance with the desires of the domestic sugar industry." pp. 10177-8
5. ELECTRIFICATION. Received from GAO an audit report on the Rural Electrification Administration for the fiscal year 1958. p. 10184
Both Houses received from Interior a proposed bill "to establish revolving-type funds in the Treasury for the Southeastern Power Administration and the Southwestern Power Administration" to Interior and Insular Affairs and S. Public Works Committees. pp. 10184, 10187
6. SALINE WATER. Both Houses received a letter from Interior "relative to the construction and operation of saline water demonstration plants." pp. 10184, 10187
7. FEDERAL-STATE RELATIONS. Rep. Dingell urged the defeat of H. R. 3, to establish rules of interpretation governing questions of the effect of Acts of Congress on State laws, contending that the bill "virtually does away with the power of the Federal Government to be supreme in the field of international relations, interstate and foreign commerce, civil rights, protection of citizens, and the many other fields where the Government properly and constitutionally acts as the Government of one United States." p. 10180
8. HOUSING. The "Daily Digest" states that conferees "agreed to file a conference report on the differences between the Senate' and House-passed versions of S. 57, Housing Act of 1959." p. D502
9. NATURAL RESOURCES; FARM PROGRAM. Rep. Diggs inserted the platform on national affairs adopted by the American Veterans Committee on various matters, including agriculture, conservation of natural resources, economic policy, and housing. pp. 10172-4
10. ATOMIC ENERGY. Rep. Holifield discussed a... hearing to be held June 22-26 by the Joint Committee on Atomic Energy on the biological and environmental effects of nuclear war, including the effects on soils and crops and processed foods. pp. 10174-7

SENATE

11. COMMERCE APPROPRIATION BILL FOR 1960. Passed, 89 to 4, as reported this bill, H. R. 7349. Conferees were appointed. pp. 10196-9
12. LEGISLATIVE APPROPRIATION BILL FOR 1960. Passed, 92 to 1, as reported this bill, H. R. 7453. Conferees were appointed. This bill includes appropriations for the Botanic Gardens, Library of Congress and GPO. pp. 10200-1
13. INDEPENDENT OFFICES APPROPRIATION BILL FOR 1960. A subcommittee of the Appropriations Committee voted to report to the full committee this bill, H. R. 7040. p. D498



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 86th CONGRESS, FIRST SESSION

Vol. 105

WASHINGTON, THURSDAY, JUNE 18, 1959

No. 101

House of Representatives

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Ephesians 5: 1-2: *Be ye therefore followers of God, and walk in love, as Christ also hath loved us.*

Almighty God, grant that we may be abundantly equal to the duties and tasks of this new day, confronting them with a sense of power that exceeds our sense of difficulty.

Deliver us from the anxieties and worries which consume our strength and mar our peace. May we remain calm and courageous in the contemplation of Thy divine grace and love.

Show us how the lofty ambitions and aspirations, which animate us and which we cherish, may be brought to fulfillment and fruition.

We are daily praying that the spirit of peace and good will may have an ever-widening dominion, removing the things that engender strife and strengthening the bonds of friendship among all the nations.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House (to the Senate amendment to the House amendment) to the bill (S. 1) entitled "An act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) entitled "An act to strengthen the wheat marketing, quota and price support program."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 59-12.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota? The chair hears none and appoints the following conferees: Messrs. WHITTEN, MARSHALL, CANNON, ANDERSEN of Minnesota, and TABER.

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill H.R. 7175 may have until midnight June 22 in which to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

CALL OF THE HOUSE

Mr. ANDERSEN of Minnesota. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 90]

Ashley	Daddario	Powell
Belcher	Davis, Tenn.	Rabaut
Blatnik	Dorn, S.C.	Rostenkowski
Blitch	Gray	Scherer
Canfield	Hagen	Short
Carter	Harris	Teague, Tex.
Celler	Harrison	Willis
Cohelan	Kasem	Wilson
Cooley	McGinley	Withrow
Curtis, Mass.	Macdonald	

The SPEAKER. On this rollcall 404 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WHEAT PROGRAM

Mr. POAGE. Mr. Speaker, I call up the conference report on the bill (S. 1968) to strengthen the wheat marketing quota and price support program, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 17, 1959.)

Mr. POAGE. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. ALBERT].

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Speaker, the conferees bring for the consideration of the House today a compromise bill which has been worked out in conference with the conferees of the other body in 2 days of sessions. The form of the bill which we bring today follows substantially the form of the House bill. The compromise is a compromise with respect to the support level and with respect to cuts in allotments.

The Senate bill was a multiprice bill which provided for various stages of

price support ranging from 65 to 75 to 80 percent of parity with a stairstep of cuts ranging from no cuts to cuts up to 20 percent. It was the opinion of the House conferees that that kind of bill would not do the job; we would have no way of knowing whether we would get any cuts either in price or in acreage. Certainly it would be sure that we would not get enough cuts to bring the production of wheat below the disappearance of wheat. The bill upon which the conferees have compromised reduces the price support feature contained in the House bill from 90 percent to 80 percent. The House conferees submitted practically every possible intervening proposal between 90 percent and 80 percent, and all proposals were rejected by the Senate conferees until we reached the level of 80 percent. There were some who wanted to continue the support level at 75 percent. The majority of the members of the House conferees wanted the House bill. This conference report represents a compromise.

This bill also will provide for a reduction in acreage allotments by 20 percent. In the considered judgment of your conferees this bill will take more than 11 million acres out of production and will cut the production of wheat by about 300 million bushels per year in a normal year. It will cut costs to the Government an average of about \$200 million a year. It will aid the wheat farmers of this country because it will begin to get disappearance above production, and everybody that knows anything about the program knows that the wheat farmers cannot expect to continue with a program under which the Government is buying at the rate of 100 million to 400 million bushels of wheat per year and storing it at a carrying charge of from 18 to 30 cents a bushel, wheat which we can neither sell nor give away at home or abroad. That is the important issue in this bill.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Indiana.

Mr. HALLECK. When the bill was before the House the gentleman offered an amendment which, as I understood, gave the small wheat farmer a vote in the referendum. The gentleman made a very persuasive argument for it. Now, is that provision still in the bill under this conference report, or has it been taken out?

Mr. ALBERT. No; the Senate provision was accepted. The Senate provision is a partial victory for the small farmer, and giving up the right to vote was a partial loss to the small farmer.

Mr. HALLECK. In other words, the right of the small wheat farmer to vote in the referendum has been taken out of the bill by the conference action?

Mr. ALBERT. Only those subject to marketing penalties are permitted to vote, which means those who have allotments of more than 12 acres, I will say to the distinguished gentleman; or to those who plant more than 12 acres.

In return for that, the Senate bill is more liberal in its acreage allowance to the small farmer, because under the

House bill the exemption extended either to 12 acres or the highest planted. Under the conference report any farmer who planted wheat in any amount, from less than an acre up, is entitled to the full exemption of 12 acres under this bill.

Now I want to go to the basic philosophy of this bill. The purpose of this bill is to cut Government costs, to cut wheat production and to try to do that without wrecking the economy of the wheat farmer. That is the purpose and the philosophy of this conference report.

The President's press conference yesterday has been quoted quite a bit lately, as to whether he will sign or veto this bill. I do not know what the President of the United States will do and I do not think you can tell from his press conference what he will do. But I know this, that if the President vetoes this bill it will be his responsibility and his alone. If the President signs this bill, the primary responsibility for what happens will be in the Congress of the United States where it should be. We are the primary legislative authority of this country and I, for one, am willing to take my share of the responsibility.

If the President vetoes this bill, he will be vetoing a measure which contains in many particulars legislative reforms which he has advocated. Everything in this bill but the support level has been advocated by the President of the United States. In his message to Congress on January 29, the President of the United States said that the control aspect of this approach is drastic regimentation which Congress has not been willing to impose. While this approach might have merit for an emergency adjustment it would not be in the best longtime interests of the wheat growers and agriculture generally.

Mr. Speaker, if there was ever a time when we have an emergency adjustment period that time is now. What else did the President recommend? He recommended that we eliminate the provision allowing farmers to grow up to 15 acres. We have reduced that to 12.

He recommended that we raise the penalty rate for overplanting to a point that will stop the practice, and we have done that precisely as he recommended.

He has recommended that we base the penalty for overplanting on the actual overproduction rather than the normal yield per acre. We have done that precisely as the President has recommended.

He has asked that we eliminate the 55 million acre minimum, and we have reduced that minimum to 44 million acres.

He has asked on various occasions that we allow unrestricted production of wheat for feed on the farm so that a farmer can plant all he wants to plant for his own purposes. We have done that precisely as the President of the United States has previously recommended.

This bill will reduce production, I repeat, by 300 million bushels a year. This bill will cut the cost. This bill should be enacted.

Mr. POAGE. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, with reference to where the responsibility may lie as far as the enactment of wheat legislation is concerned, the fact still remains that the responsibility for enacting realistic legislation which can be enacted into law is within the province of the Congress of the United States. You cannot shift that responsibility to the President of the United States, no matter how hard you try.

Mr. HALLECK. Mr. Speaker, will the gentleman yield for a brief observation?

Mr. HOEVEN. I yield to the gentleman from Indiana.

Mr. HALLECK. In light of the statement made by the gentleman from Oklahoma, I certainly do not know whether the President will sign this bill or not if it is passed by the Congress in its present form, and I do not think anyone else knows.

As far as I am concerned, I commend the gentleman from Oklahoma for saying that if it becomes law it is the responsibility, and it will be the responsibility may I say, largely of the majority party here in the Congress of the United States. And if that is the situation then certainly you carry the responsibility and one day if it becomes law, because it is not going to really cut down on the production, it is going to continue to be an expensive program, and does not deal realistically with the real problem that is before us, so as far as I am concerned, the majority will have to carry that responsibility.

Mr. HOEVEN. There is so much to be said against the conference report and so little time in which to say it under the parliamentary situation which prevails so I can only hit the highspots. First of all, let me say that the conference report was not signed by the minority Members of the House who were among the conferees. Neither was it signed by the ranking minority Member in the other body. A strange alignment has sprung up in opposition to the conference report. I understand it is being opposed by those who want 90 percent of parity. On the other hand it is opposed by those who want less than 80 percent of parity.

Mr. ALBERT. Mr. Speaker, will the gentleman yield for a question at this point?

Mr. HOEVEN. I yield to my friend from Oklahoma.

Mr. ALBERT. Has not the gentleman hit the nail on the head? In other words, that this is a compromise between those who want low prices and those who want high prices?

Mr. HOEVEN. Of course it is a compromise but a compromise is not necessarily always right.

Again, I say the conference report seems to be opposed by those who contend we should have 90 percent of parity. It is opposed by those who say that 80 percent of parity is too high. It is opposed by those who feel that a 20-percent cut is too drastic and it is op-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued June 30, 1959
For actions of June 29, 1959
86th-1st, No. 108

Accounting.....	15
Agricultural appropriations.....	1
Appropriations1,2,3,4,5,7,17,28	
Area redevelopment.....	22
Budget.....	28
Claims.....	45
Contracts.....	8
Country life.....	26
Credit unions.....	27,32
Dairy industry.....	36
Education.....	39
Electrification.....	21,29
Employment.....	15
Fair trade.....	34
Farm labor.....	17,19
Federal-State relations..	21
Food.....	9,12
Foreign affairs.....	39
Foreign aid.....	25,29
Inflation.....	11,18
Information.....	16,41

Item veto.....	44
Legislative program.....	29
Library.....	41
Marketing.....	9
Monopolies.....	13
Mutual security.....	25,29
Personnel.....	10,15,38,39
Prices.....	11,18
Public debt.....	24
Public Law 480.....	29
Reclamation.....	20,37
Research.....	10,30
Retirement.....	10
Saline water.....	30
Small business.....	42
Soil bank.....	45
Soil conservation.....	35
Taxation.....	38
Tobacco.....	31
Transportation.....	14
TVA.....	29
Virgin Islands.....	40
Water resources.....	23
Watersheds.....	6
Wheat.....	33
Wilderness.....	43

HIGHLIGHTS: House received conference report on agricultural appropriation bill. House passed supplemental appropriation bill. Both Houses cleared general government matters appropriation bill. Sen. Mansfield criticized surplus food distribution policy.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1960. Received the conference report on this bill, H. R. 7175 (H. Rept. 588) (pp. 11009-11, 11075). Rep. Judd objected to the request of Rep. Whitten for immediate consideration of the report (p. 11011). At the end of this Digest is a summary of the actions of the conferees.
2. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1960. Agreed to an amendment to a Senate amendment on this bill, H. R. 7176, which will appropriate \$125,000 (instead of \$250,000 as provided by the Senate) for the use of Federal agencies, under the direction of the Budget Bureau, in improving management operation and establishing more efficient business methods in Government operations (p. 11006). The Senate later agreed to this House amendment (pp. 10985-6). This bill will now be sent to the President.
3. SUPPLEMENTAL APPROPRIATION BILL, 1960. Passed with amendments this bill, H. R. 7978 (pp. 11020-44). See Digest 106, item 20, for items of interest to this Department.

4. STATE-JUSTICE APPROPRIATION BILL, 1960. Conferees were appointed on this bill, H. R. 7343 (p. 11006). Senate conferees have already been appointed.
5. D. C. APPROPRIATION BILL, 1960. Conferees were appointed on this bill, H. R. 5676 (p. 11006). Senate conferees have already been appointed.
6. WATERSHEDS. The Public Works Committee approved the following watershed plans: Tobesofkee Creek, Ga., Big Blue Creek, Ill., and Shoal Creek, Ill. p. 11007
7. LEGISLATIVE BRANCH APPROPRIATION BILL, 1960. Acted on the Senate amendments to this bill, H. R. 7453, and returned the bill to the Senate. pp. 11007-9
8. CONTRACTS. Conferees were granted permission until midnight June 29, to file a report on H. R. 7086, to extend the Renegotiation Act of 1951. p. 11020
9. FOOD; MARKETING. Received from the Federal Trade Commission an economic report, "Economic Inquiry Into Food Marketing - Interim Report." p. 11075
10. PERSONNEL. Received from the Civil Service Commission a "Special Report of the Board of Actuaries on the Valuation of the Civil Service Retirement System as of June 30, 1958." p. 11075
The Post Office and Civil Service Committee reported with amendment H. R. 6059, to provide additional civilian positions for the Defense Department for scientific research and development (H. Rept. 597). p. 11076
11. PRICES; INFLATION. Several Representatives debated the merits of the report of the Cabinet Committee on Price Stability for Economic Growth, and discussed the problem of controlling inflation. pp. 11046-51, 11052-55, 11055-62

SENATE

12. FOOD SURPLUSES. Sen. Mansfield criticized the Administration's food distribution policies here and abroad, urged the Administration to give Congress "a program which will see to it that every needy person in this country gets an equitable share" of our food production, recommended a long-range program to close up "disgraceful loopholes" in present law, to aid schools and other institutions, and to aid foreign countries, and inserted several articles on the subject. pp. 10931-3
13. MONOPOLIES. The Judiciary Committee reported with amendments S. 716, to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws (S. Rept. 451). p. 10924
14. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported without amendment S. 1789, to amend section 1 (14) (a) of the Interstate Commerce Act so as to insure the adequacy of the national railroad freight car supply (S. Rept. 452). p. 10924
15. PERSONNEL; ACCOUNTING. The Post Office and Civil Service Committee reported with amendments two bills: S. 1495, to consolidate and revise the laws relating to employment of aliens in the several States and the District of Columbia (S. Rept. 437), and H. R. 6134, to amend the Federal Employees Pay Act of 1945 so as to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years (S. Rept. 436). p. 10924

EXCERPTS FROM THE CONFERENCE REPORT ON THE DEPARTMENT
OF AGRICULTURE AND FARM CREDIT ADMINISTRATION
APPROPRIATION BILL, 1960 (H. Report No. 588)

AGRICULTURAL RESEARCH SERVICE

Amendment Nos. 1 and 2 - Research: *** The increase above the amount approved by the House includes \$1,235,900 for soil and water conservation research, \$1,100,000 for research on boll weevil and other cotton insects and pests, \$1,100,000 for research on insects affecting corn and other grains, \$100,000 for research on Coastal Bermuda pellets, \$100,000 for sweetpotato utilization research, \$25,000 for apple breeding in the southeast, and \$100,000 for research on humane slaughter. ***

Amendment No. 3 - Plant and animal disease and pest control: *** The additional amount approved includes \$1,250,000 for brucellosis eradication, \$100,000 for general control work, \$75,000 for soybean cyst nematode control work, and \$35,000 for eradication of sheep scabies.

AGRICULTURAL MARKETING SERVICE

Amendment No. 11 - Marketing research and agricultural estimates: *** The additional funds agreed to in conference includes \$150,000 for consumer preference studies, \$125,000 for cattle-on-feed reports, and \$25,000 for research at Clemson, S. C.

Amendment No. *** 13 *** - Marketing services: *** The funds agreed to above the amount in the House bill provide an additional \$1,150,000 for poultry inspection and \$60,000 for enforcement of fair trade practices under the Packers and Stockyards Act.

Amendment No. 16 - School lunch program: *** The conferees direct that the full amount of these transferred funds be used to purchase foods necessary to provide balanced diets for the schoolchildren. In making such purchases, attention should be given to the needs of the schools for red meats and other high protein foods. As far as possible, foods in surplus supply should be given priority. The necessary foods should be supplied from these funds, however, regardless of whether or not they are determined by the Secretary to be in surplus supply.

Jamie L. Whitten,
Fred Marshall,
Clarence Cannon,
H. Carl Andersen,
John Taber,
Managers on the Part of the House.

UNITED STATES DEPARTMENT OF AGRICULTURE

Department of Agriculture and Farm Credit Administration Appropriation Act, 1960

Summary of Appropriations and REA and FHA Loan Authorizations, 1959 and 1960

[Note.--Amounts for 1959 include all supplemental appropriations to date.]

Agency or Item	:Appropriations : and Loan : Authorizations, : 1959	: Budget : Estimates, : 1960	: House : Bill, : 1960	: Senate : Bill, : 1960	:Appropriations : and Loan : Authorizations, : 1960
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:	:	:	:	:	:
Agricultural Research Service:	:	:	:	:	:
Research	\$62,915,290:	\$64,240,000:	\$63,961,590:	\$70,479,390:a/	\$67,722,490
Plant and animal disease and pest control and meat inspection ...	:	:	:	:	:
State Experiments Stations (principally payments to States)	73,719,100:	70,585,000:	69,475,700:	72,375,500:	71,125,500
Extension Service (principally payments to States)	31,803,708:	31,803,708:	31,803,708:	31,803,708:	31,803,708
Farmer Cooperative Service	63,936,322:	64,139,477:	64,123,222:	64,123,222:	64,123,222
Soil Conservation Service	617,900:	620,000:	615,800:	615,800:	615,800
Agricultural Conservation Program	134,717,800:	128,647,000:	133,397,000:	127,397,000:	133,147,000
Service	235,000,000:	241,500,000:	241,500,000:b/	241,500,000:b/	241,500,000
Agricultural Marketing Service:	:	:	:	:	:
Marketing research and service, and payments to States	:	:	:	:	:
School lunch program	39,126,700:	43,220,000:	41,067,100:	43,135,700:	42,612,100
Foreign Agricultural Service	110,000,000:	100,000,000:	110,000,000:	110,000,000:c/	110,000,000
Commodity Exchange Authority	4,234,320:	4,268,300:	3,518,300:	3,668,000:d/	3,518,300
Soil bank programs:	895,500:	900,000:	909,500:	900,000:	909,500
Conservation reserve	:	:	:	:	:
Acreage reserve	200,000,000:	360,370,000:	310,000,000:	340,000,000:e/	335,000,000
Commodity Stabilization Service:	609,450,000:	1,050,000:	- -	- -	- -
Acreage allotments and marketing quotas	:	:	:	:	:
Sugar Act program	41,715,000:	39,135,000:	39,135,000:	39,135,000:	39,135,000
Federal Crop Insurance Corporation:	76,000,000:	71,500,000:	71,500,000:	71,500,000:	71,500,000
Operating and administrative expenses	:	:	:	:	:
	6,376,700:	6,376,700:	6,376,700:	6,376,700:	6,376,700

(Continued on next page)

- a/ Act includes language authorizing the reappropriation of \$1,000,000 of 1959 funds to provide for additional labor to be employed to strengthen the work at research institutions in the field. Conference report states that these funds are to be used for employment of additional labor and nonprofessional help by contract, cooperative agreements, or temporary or permanent employment.
- b/ Act provides for advance authorization of \$250,000,000 for the 1960 program; \$100,000,000 was proposed in the Budget Estimates.
- c/ In addition, the Appropriation Acts provide that the following amounts shall be transferred from Sec. 32 funds for purchase of agricultural commodities for distribution to schools: 1959, \$35,000,000; 1960, \$43,657,248.
- d/ Reduction of \$750,000 in FAS dollar appropriation for 1960, compared with Budget Estimates, was offset by an increase of \$750,000 in the limitation on foreign currencies available for expenses of the agricultural attache service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104(a) of P.L. 480, the Agricultural Trade Development and Assistance Act of 1954, as amended.
- e/ Both 1959 and 1960 Appropriation Acts limit payments to producers in any calendar year to \$375,000,000. The 1960 Act also includes language limiting annual rental payments to any individual or corporation to \$5,000.
- f/ House Bill included provision limiting to \$50,000 the amount of any commodity credit loan; Senate Bill instead, limits to \$50,000 the total amount of price support to be extended through loans, purchases, or purchase agreements by CCC to any person on the 1960 production of all agricultural commodities; Conferees reported Senate amendment in disagreement.
- g/ Includes reserve authorization of \$25,000,000 for rural telephone loans which it is anticipated will be used in 1959. It is currently estimated that rural electrification loans totaling \$175,000,000 and rural telephone loans totaling \$98,000,000 will be made in fiscal year 1959.
- h/ Includes reserve authorization of \$25,000,000 for rural telephone loans which it is anticipated will be used in 1960. Including the carryover of funds from prior years, it is estimated that rural electrification loans totaling \$245,000,000 and rural telephone loans totaling \$105,000,000 will be made in fiscal year 1960.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1960

JUNE 29, 1959.—Ordered to be printed

Mr. WHITTEN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 7175]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 9, 10, 17, 18, 19, 25, and 31.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 8, 12, 14, 15, 23, 24, and 32, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$67,722,490; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,939,000; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$49,800,600; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$22,750,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$15,344,500; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$26,072,600; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$335,000,000; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$18,600,000; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$375,000,000; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$30,744,750; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$3,162,025; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$42,000,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 16, 26, and 30.

JAMIE L. WHITTEN,
FRED MARSHALL,
CLARENCE CANNON,
H. CARL ANDERSEN,
JOHN TABER,

Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,

By R. B. R.

A. WILLIS ROBERTSON,

By W. A. M.

ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
HENRY DWORSHAK,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

Amendment Nos. 1 and 2—*Research*: Appropriates \$67,722,490 instead of \$63,961,590 as proposed by the House and \$70,479,390 as proposed by the Senate. The increase above the amount approved by the House includes \$1,235,900 for soil and water conservation research, \$1,100,000 for research on boll weevil and other cotton insects and pests, \$1,100,000 for research on insects affecting corn and other grains, \$100,000 for research on coastal Bermuda pellets, \$100,000 for sweetpotato utilization research, \$25,000 for apple breeding in the Southeast, and \$100,000 for research on humane slaughter.

The additional \$1,235,900 provided for soil and water conservation research includes \$355,000 for equipment for four laboratories, \$50,000 for full year's operations in eastern South Dakota, and \$830,900 for part year operating costs at the additional locations provided by the Senate. The conferees feel that the Department should expand these facilities to full operating strength gradually during the year so as to make certain that the new research programs are developed on a sound basis.

The \$1,100,000 included for research on boll weevil and other cotton insects and pests provides \$559,200 for the main laboratory building and office space. The balance is to cover necessary greenhouses, storage buildings and other auxiliary buildings, together with architect, engineering and supervisory fees and contingencies.

The funds provided for research on insects affecting corn and other grains include \$550,000 for construction of a laboratory and necessary auxiliary buildings to be located at or near Brookings State College in South Dakota and \$550,000 for the construction of a laboratory and necessary related facilities at the Coastal Plains Experiment Station.

The conferees feel that the Department should make a determination with present staff as to the various types of slaughtering methods which qualify as humane. The additional \$100,000 is to be used for research and preparation of plans for adaptation of such methods and devices to the needs of the smaller slaughtering establishments. (No funds are included for construction of facilities at the Beltsville Research Station.)

Based upon the fine results obtained at the Peoria Laboratory, where it was found that certain types of corn have certain chemical characteristics that will broaden the industrial use of corn, the conference committee feels that research on breeding of corn should be furthered to make such varieties available. Since grain sorghums have similar prospects, basic breeding work ought to be furthered in that field also. The \$100,000 included in the bill as passed by the House for additional research on utilization of corn and grain sorghums was intended to further this type of research work.

Amendment No. 3—*Plant and animal disease and pest control*: Appropriates \$49,800,600 instead of \$48,340,600 as proposed by the House and \$51,050,600 as proposed by the Senate. The additional amount approved includes \$1,250,000 for brucellosis eradication, \$100,000 for general control work, \$75,000 for soybean cyst nematode control work, and \$35,000 for eradication of sheep scabies.

Amendment No. 4—*Meat inspection*: Appropriates \$21,324,900 as proposed by the Senate instead of \$21,135,100 as proposed by the House.

Amendment No. 5—*Special fund*: Inserts language as proposed by the Senate. The conferees are in full agreement that the funds provided under this head are to be used by the Agricultural Research Service for the employment of additional labor and nonprofessional help by contract, cooperative agreements, or temporary or permanent employment.

SOIL CONSERVATION SERVICE

Amendment No. 6—*Watershed protection*: Appropriates \$22,750,000 instead of \$25,500,000 as proposed by the House and \$20,000,000 as proposed by the Senate.

Amendment No. 7—*Flood prevention*: Appropriates \$18,000,000 as proposed by the House instead of \$15,000,000 as proposed by the Senate.

Amendment No. 8—*Great Plains conservation program*: Appropriates \$10,000,000 as proposed by the Senate instead of \$7,500,000 as proposed by the House.

AGRICULTURAL CONSERVATION PROGRAM

Amendment Nos. 9 and 10: Insert language concerning eligibility requirements, cost-sharing practices, and allocation of funds as proposed by the House.

AGRICULTURAL MARKETING SERVICE

Amendment No. 11—*Marketing research and agricultural estimates*: Appropriates \$15,344,500 instead of \$15,044,500 as proposed by the House and \$15,514,100 as proposed by the Senate. The additional funds agreed to in conference include \$150,000 for consumer preference studies, \$125,000 for cattle-on-feed reports, and \$25,000 for research at Clemson, S.C.

Amendment Nos. 12, 13, and 14—*Marketing services*: Insert language relative to the Packers and Stockyards Act as proposed by the Senate, appropriate \$26,072,600 instead of \$24,862,600 as proposed by the House, and \$26,426,600 as proposed by the Senate, and earmark

\$15,000 for range and feed lot market reporting in Colorado. The funds agreed to above the amount in the House bill provide an additional \$1,150,000 for poultry inspection and \$60,000 for enforcement of fair trade practices under the Packers and Stockyards Act.

Amendment No. 15—*Payments to States, territories, and possessions*: Appropriates \$1,195,000 as proposed by the Senate instead of \$1,160,000 as proposed by the House.

Amendment No. 16—*School lunch program*: Reported in disagreement. The managers on the part of the House intend to move to recede and concur with the Senate language with the elimination of the phrase "such additional funds to be used for the general purposes of section 32".

The conferees direct that the full amount of these transferred funds be used to purchase foods necessary to provide balanced diets for the schoolchildren. In making such purchases, attention should be given to the needs of the schools for red meats and other high protein foods. As far as possible, foods in surplus supply should be given priority. The necessary foods should be supplied from these funds, however, regardless of whether or not they are determined by the Secretary to be in surplus supply.

FOREIGN AGRICULTURAL SERVICE

Amendment Nos. 17 and 18—*Salaries and expenses*: Appropriate \$3,518,300 as proposed by the House instead of \$3,668,000 as proposed by the Senate and authorize the use of \$1,310,000 of foreign currencies as proposed by the House instead of \$1,160,000 as proposed by the Senate.

COMMODITY EXCHANGE AUTHORITY

Amendment No. 19—*Salaries and expenses*: Appropriates \$909,500 as proposed by the House instead of \$900,000 as proposed by the Senate.

CONSERVATION RESERVE PROGRAM

Amendment No. 20: Appropriates \$335,000,000 instead of \$310,000,000 as proposed by the House and \$340,000,000 as proposed by the Senate.

Amendment No. 21: Authorizes \$18,600,000 for administrative expenses instead of \$18,000,000 as proposed by the House and \$18,900,000 as proposed by the Senate.

Amendment No. 22: Authorizes \$375,000,000 for contracts under the 1960 program instead of \$325,000,000 as proposed by the House and \$450,000,000 as proposed by the Senate.

Amendment No. 23: Inserts language proposed by the Senate.

Amendment No. 24: Establishes limit of \$5,000 on amounts payable to any individual or corporation as proposed by the Senate instead of \$3,000 as proposed by the House.

Amendment No. 25: Restores language of the House relating to annual rental payments which was stricken by the Senate.

Amendment No. 26: Reported in disagreement.

FARMERS HOME ADMINISTRATION

Amendment No. 27—*Salaries and expenses*: Appropriates \$30,-744,750 instead of \$30,300,000 as proposed by the House and \$31,-189,500 as proposed by the Senate.

OFFICE OF THE GENERAL COUNSEL

Amendment No. 28—*Salaries and expenses*: Appropriates \$3,162,025 instead of \$3,115,300 as proposed by the House and \$3,208,750 as proposed by the Senate.

COMMODITY CREDIT CORPORATION

Amendment No. 29—*Limitation on administrative expenses*: Authorizes \$42,000,000 instead of \$39,600,000 as proposed by the House and \$42,771,000 as proposed by the Senate.

Amendment No. 30: Reported in disagreement.

GENERAL PROVISIONS

Amendments Nos. 31 and 32—*Section 406*: Restore language which establishes floor under contract research as proposed by the House, and eliminate authority for research grants as proposed by the Senate.

JAMIE L. WHITTEN,
FRED MARSHALL,
CLARENCE CANNON,
H. CARL ANDERSEN,
JOHN TABER,

Managers on the Part of the House.



"Miscellaneous items"

"For miscellaneous items, exclusive of labor, \$1,856,210."

Page 1, after line 6, insert:

"Postage stamps"

"For Offices of the Secretaries of the Majority and Minority; \$140; for airmail and special-delivery stamps for Office of the Secretary, \$160; Office of the Sergeant at Arms, \$125; and for Senators and the President of the Senate, as authorized by law, \$45,450; in all, \$45,875."

Page 1, after line 6, insert:

"Stationery (revolving fund)"

"For stationery for Senators and the President of the Senate, \$181,800; and for stationery for committees and officers of the Senate, \$13,200; in all, \$195,000 to remain available until expended."

Page 1, after line 6, insert:

"Communications"

"For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U.S.C. 46c, 46d, 46e), as amended, and the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U.S.C. 46d-1), \$15,150."

Page 1, after line 6, insert:

"Administrative provisions"

Page 1, after line 6, insert:

"Effective July 1, 1959, the table contained in section 4(f) of the Federal Employee's Salary Increase Act of 1955 (Public Law 94, Eighty-fourth Congress, approved June 28, 1955) is amended by striking out the last line therein and inserting in lieu thereof the following:

"13,000,000 but less than 15,000,000--	28,740
15,000,000 but less than 17,000,000--	31,740
17,000,000 or more-----	34,740"

Page 1, after line 6, insert:

"The third paragraph under the heading 'Administrative Provisions' in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1959 (2 U.S.C. 43b), is amended by striking out 'from Washington, District of Columbia, to their resident cities in their home States, and return, for not to exceed two such round trips' and inserting in lieu thereof the following: 'between Washington, District of Columbia, and any point in their home States, for not to exceed two round trips'."

Page 11, after line 10 insert:

"Joint Committee on Reduction of Non-essential Federal Expenditures"

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, \$24,795, to be disbursed by the Secretary of the Senate."

Page 14, after line 20, insert:

"Subway Transportation, Capitol and Senate Office Buildings"

"For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Buildings with the Capitol, including personal and other services, \$6,000."

Page 14, after line 20, insert:

"Senate Office Buildings"

"For maintenance, miscellaneous items and supplies, including furniture, furnish-

ings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services; including eight female attendants in charge of ladies retiring rooms at \$1,800 each, for the care and operation of the Senate Office Buildings; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); to be expended under the control and supervision of the Architect of the Capitol; in all, \$1,819,700."

Page 14, after line 20, insert:

"Extension of Additional Senate Office Building Site"

"For an additional amount to enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of Public Law 85-591, Eighty-fifth Congress, relating to the acquisition of property in square 725 in the District of Columbia, including necessary incidental expenses, \$200,000, to remain available until expended."

Page 14, after line 20, insert:

"Remodeling, Senate Office Building"

"Notwithstanding the provisions of the proviso contained under this heading in the Supplemental Appropriation Act, 1958 (61 Stat. 329), not to exceed \$100,000 of the funds therein appropriated may be expended for the performance of work on a contract basis."

The SPEAKER. The question is on the Senate amendments.

The Senate amendments were concurred in.

The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 45: Page 21, line 11, strike out:

"Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of three positions under the appropriation 'Salaries, Office of the Architect of the Capitol', of one position under the appropriation 'Capitol Buildings', and of one position under the appropriation 'House Office Buildings' at a basic rate of \$8,000 per annum each: *Provided*, That this provision shall not be applicable to the positions of Architect, Assistant Architect, or Second Assistant Architect of the Capitol."

And insert in lieu thereof the following:

"Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of one position under the appropriation 'Senate Office Buildings', at a basic rate of \$7,020 per annum."

Mr. KIRWAN. Mr. Speaker, I move that the House concur in the amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House concur in the amendment of the Senate numbered 45 with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of three positions under the appropriation 'Salaries, Office of the Architect of the Capitol', of one position under the appropriation 'Capitol Buildings', and of one position under the appropriation 'House Office Buildings' at a basic rate of \$8,000 per annum each: *Provided*, That this provision shall not be applicable to the positions of Architect, Assistant Architect, or Second Assistant Architect of the Capitol."

"Hereafter, the Architect of the Capitol is authorized, without regard to the Classi-

fication Act of 1949, as amended, to fix the compensation of one position under the appropriation 'Senate Office Buildings', at a basic rate of \$7,020 per annum."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 25, line 2, strike out "\$1,400,000" and insert "\$1,451,300."

Mr. KIRWAN. Mr. Speaker, I move that the House concur in the amendment of the Senate numbered 50.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 51: Page 27, line 24, strike out "\$7,150,000" and insert "\$7,159,890."

Mr. KIRWAN. Mr. Speaker, I move that the House concur in the amendment of the Senate numbered 51.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

(Mr. KIRWAN asked and was given permission to revise and extend his remarks.)

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 588)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7175) "making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 9, 10, 17, 18, 19, 25, and 31.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 8, 12, 14, 15, 23, 24, and 32, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$67,722,490"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,939,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$49,800,600"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amend-

ment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$22,750,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$15,344,500"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$26,072,600"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$335,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$18,600,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$375,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$30,744,750"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,162,025"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$42,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 16, 26, and 30.

JAMIE L. WHITTEN,
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Managers on the Part of the House.

RICHARD B. RUSSELL,
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MILTON R. YOUNG,
KARL E. MUNDT,
HENRY DWORSHAK,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, submit the following state-

ment in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Amendment Nos. 1 and 2—Research: Appropriates \$67,722,490 instead of \$63,961,590 as proposed by the House and \$70,479,390 as proposed by the Senate. The increase above the amount approved by the House includes \$1,235,900 for soil and water conservation research, \$1,100,000 for research on boll weevil and other cotton insects and pests, \$1,100,000 for research on insects affecting corn and other grains, \$100,000 for research on Coastal Bermuda pellets, \$100,000 for sweetpotato utilization research, \$25,000 for apple breeding in the southeast, and \$100,000 for research on humane slaughter.

The additional \$1,235,900 provided for soil and water conservation research includes \$355,000 for equipment for four laboratories, \$50,000 for full year's operations in eastern South Dakota, and \$830,900 for part year operating costs at the additional locations provided by the Senate. The conferees feel that the Department should expand these facilities to full operating strength gradually during the year so as to make certain that the new research programs are developed on a sound basis.

The \$1,100,000 included for research on boll weevil and other cotton insects and pests provides \$559,200 for the main laboratory building and office space. The balance is to cover necessary greenhouses, storage buildings and other auxiliary buildings, together with architect, engineering and supervisory fees and contingencies.

The funds provided for research on insects affecting corn and other grains includes \$550,000 for construction of a laboratory and necessary auxiliary buildings to be located at or near Brookings State College in South Dakota and \$550,000 for the construction of a laboratory and necessary related facilities at the Coastal Plains Experiment Station.

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Based upon the fine results obtained at the Peoria Laboratory, where it was found that certain types of corn have certain chemical characteristics that will broaden the industrial use of corn, the Conference Committee feels that research on breeding of corn should be furthered to make such varieties available. Since grain sorghums have similar prospects, basic breeding work ought to be furthered in that field also. The \$100,000 included in the bill as passed by the House for additional research on utilization of corn and grain sorghums was intended to further this type of research work.

Amendment No. 3—Plant and animal disease and pest control: Appropriates \$49,800,600 instead of \$48,340,600 as proposed by the House and \$51,050,600 as proposed by the Senate. The additional amount approved includes \$1,250,000 for brucellosis eradication, \$100,000 for general control work, \$75,000 for soybean cyst nematode control work, and \$35,000 for eradication of sheep scabies.

Amendment No. 4—Meat inspection: Appropriates \$21,324,900 as proposed by the Senate instead of \$21,135,100 as proposed by the House.

Amendment No. 5—Special fund: Inserts language as proposed by the Senate. The conferees are in full agreement that the funds provided under this head are to be

used by the Agricultural Research Service for the employment of additional labor and nonprofessional help by contract, cooperative agreements, or temporary or permanent employment.

Soil Conservation Service

Amendment No. 6—Watershed protection: Appropriates \$22,750,000 instead of \$25,500,000 as proposed by the House and \$20,000,000 as proposed by the Senate.

Amendment No. 7—Flood prevention: Appropriates \$18 million as proposed by the House instead of \$15,000,000 as proposed by the Senate.

Amendment No. 8—Great Plains conservation program: Appropriates \$10,000,000 as proposed by the Senate instead of \$7,500,000 as proposed by the House.

Agricultural conservation program

Amendment Nos. 9 and 10: Insert language concerning eligibility requirements, cost-sharing practices, and allocation of funds as proposed by the House.

Agricultural Marketing Service

Amendment No. 11—Marketing research and agricultural estimates: Appropriates \$15,344,500 instead of \$15,044,500 as proposed by the House and \$15,514,100 as proposed by the Senate. The additional funds agreed to in conference includes \$150,000 for consumer preference studies, \$125,000 for cattle-on-feed reports, and \$25,000 for research at Clemson, S.C.

Amendments Nos. 12, 13, and 14—Marketing services: Insert language relative to the Packers and Stockyards Act as proposed by the Senate, appropriate \$26,072,600 instead of \$24,862,600 as proposed by the House and \$26,426,600 as proposed by the Senate, and earmark \$15,000 for range and feed lot market reporting in Colorado. The funds agreed to above the amount in the House bill provide an additional \$1,150,000 for poultry inspection and \$60,000 for enforcement of fair trade practices under the Packers and Stockyards Act.

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Amendment No. 16—School lunch program: Reported in disagreement. The managers on the part of the House intend to move to recede and concur with the Senate language with the elimination of the phrase "such additional funds to be used for the general purposes of section 32".

The conferees direct that the full amount of these transferred funds be used to purchase foods necessary to provide balanced diets for the schoolchildren. In making such purchases, attention should be given to the needs of the schools for red meats and other high protein foods. As far as possible, foods in surplus supply should be given priority. The necessary foods should be supplied from these funds, however, regardless of whether or not they are determined by the Secretary to be in surplus supply.

Foreign Agricultural Service

Amendments Nos. 17 and 18—Salaries and expenses: Appropriate \$3,518,300 as proposed by the House instead of \$3,668,000 as proposed by the Senate and authorize the use of \$1,310,000 of foreign currencies as proposed by the House instead of \$1,160,000 as proposed by the Senate.

Commodity Exchange Authority

Amendment No. 19—Salaries and expenses: Appropriates \$909,500 as proposed by the House instead of \$900,000 as proposed by the Senate.

Conservation reserve program

Amendment No. 20: Appropriates \$335,000,000 instead of \$310,000,000 as proposed by the House and \$340,000,000 as proposed by the Senate.

Amendment No. 21: Authorizes \$18,600,000 for administrative expenses instead of \$18,000,000 as proposed by the House and \$18,900,000 as proposed by the Senate.

Amendment No. 22: Authorizes \$375,000,000 for contracts under the 1960 program instead of \$325,000,000 as proposed by the House and \$450,000,000 as proposed by the Senate.

Amendment No. 23: Inserts language proposed by the Senate.

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Amendment No. 25: Restores language of the House relating to annual rental payments which was stricken by the Senate.

Amendment No. 26: Reported in disagreement.

Farmers Home Administration

Amendment No. 27—Salaries and expenses: Appropriates \$30,744,750 instead of \$30,300,000 as proposed by the House and \$31,189,500 as proposed by the Senate.

Office of the General Counsel

Amendment No. 28—Salaries and expenses: Appropriates \$3,162,025 instead of \$3,115,300 as proposed by the House and \$3,208,750 as proposed by the Senate.

Commodity Credit Corporation

Amendment No. 29—Limitation on administrative expenses: Authorizes \$42,000,000 instead of \$39,600,000 as proposed by the House and \$42,771,000 as proposed by the Senate.

Amendment No. 30: Reported in disagreement.

General provisions

Amendments Nos. 31 and 32—Section 406: Restore language which establishes floor under contract research as proposed by the House, and eliminate authority for research grants as proposed by the Senate.

JAMIE L. WHITTEN,
FRED MARSHALL,
CLARENCE CANNON,
H. CARL ANDERSEN,
JOHN TABER,

Managers on the Part of the House.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

Mr. JUDD. Mr. Speaker, reserving the right to object, is this an attempt to bring up a conference report which report has not yet been published?

Mr. WHITTEN. That is correct. This is a matter over which there is no controversy whatever among the conferees.

Mr. JUDD. It seems to me the membership ought to have an opportunity to read the report.

Mr. WHITTEN. May I say to the gentleman that tomorrow is the last day of the fiscal year. Time is of the essence, and the conference report is in complete agreement.

Mr. JUDD. I still believe it ought to be put over. I hope the gentleman will not insist.

Mr. WHITTEN. I feel compelled to insist. The gentleman is within his rights to object.

Mr. JUDD. Then I object, Mr. Speaker.

The SPEAKER. Objection is heard.

TAX RATE EXTENSION ACT OF 1959

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 7523) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 26, 1959.)

Mr. MILLS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, it will be recalled that earlier this month the House passed and sent to the Senate the bill (H.R. 7523) providing for a simple 1-year extension of the existing corporate normal tax rate and certain excise tax rates that would be reduced after June 30, 1959.

The House took this action for the reason it felt that this amount of revenue, some \$2 billion, would be necessary in the fiscal year 1960 if we are to have any prospect of a balance in the budget in fiscal 1960. It will be recalled that the full year effect was \$3.138 billion.

When the bill was being considered by the other body certain amendments were added to the bill. The net effect of those amendments would have been to reduce by \$205 million the effectiveness of this bill in playing its part in maintaining a balance in the budget for 1960. In other words, the bill that passed the Senate would have resulted in net effect in \$205 million less revenue when the expenditures of \$117 million for increased public assistance payments and the loss of \$188 million in transportation of persons tax is offset against the gain of \$100 million from the repeal of the dividend credit provision for fiscal 1960. The conferees were faced with the same facts that the House was faced with earlier in the month.

It was then called to the attention of the House that we anticipate on our best guess about \$77.7 billion of revenue for fiscal 1960.

The President's January budget calls for an expenditure of \$77 billion. There are three matters, though, which are still not definite that could possibly require additional spending from the general funds by the Government that was not provided for in the January budget.

To the \$77 billion must be added \$500 million additional interest required to be paid on the public debt. Also there will have to be added \$350 million of added postal deficit not contained in the budget if the Congress is not to increase the 4-cent postage stamp to 5 cents.

When this extension of taxes was before the House I pointed out there was a \$241 million deficit in the highway trust

fund that would have to come from the general fund if we paid our bills in the way of the interstate highway construction program and do not increase taxes. That figure, however, has risen from \$241 million, we are now told, to \$536 million. So to the \$77 billion January estimate must be added, if nothing is done with respect to the highway trust fund, \$536 million; if nothing is done about the increase in postage rates, \$350 million, and \$500 million additional payment in interest on the public debt. Members may immediately add these figures together and see that the conference committee was faced with the prospect, with all of the revenue provided in the bill passed by the House and passing the Congress and becoming law, of a deficit in the fiscal year 1960 without the addition of any new programs to that which is in the budget.

We felt under the circumstances that we could not justify an immediate termination in the passenger transportation tax of 10 percent that would reduce revenues in fiscal 1960 by \$188 million. We felt also that we could not incur the additional expenditures which were involved in the provisions calling for increased Federal expenditures for public assistance because these provisions had no relationship to the continuation of taxes and had not been considered by the committees involved in our usual manner. All together, I repeat, there would have been \$205 million additional added to these figures just in fiscal year 1960. For that reason the conference committee agreed to eliminate the amendments from the bill as it passed the other body, except for two, and to accept these two amendments in modified form.

Let me explain to you these two additions to the bill agreed to in conference.

The first such amendment would have repealed the tax on the transportation of persons, effective as of August 1, 1959. The conferees recommend that the tax on the transportation of persons be reduced from the existing 10-percent rate to 5 percent, effective July 1, 1960. The recommendation of the conferees with respect to the tax on the transportation of persons would result in no revenue loss for the coming fiscal year and the proposed rate reduction could be re-examined next year, along with the other scheduled rate reductions.

The other amendment added by the other body would repeal the tax on communications, effective July 1, 1960. The conferees recommend that this proposed repeal be limited to the tax on general telephone service. Under the recommendation of the conferees, the tax now imposed on general telephone service would be repealed as of July 1, 1960, while the tax on toll telephone service and other taxable communication services would be retained. The recommendation of the conferees with respect to this amendment would result in no revenue loss during the coming fiscal year.

The conferees agreed to recommend against the enactment of the other amendments at this time.

The other body proposed to repeal the credit against income tax for dividends received by individuals, allowed by sec-

tion 34 of the Internal Revenue Code. The conferees recommend no action be taken at this time with respect to the dividends received credit for individuals. The Committee on Ways and Means has scheduled public hearings in the form of panel discussions to begin on November 2, 1959, with a view to the consideration of opportunities for constructive reform of the Federal income tax system. The dividends received credit will be among the items considered in this study. It is contemplated that considerable study will be given to the treatment of dividends generally and the effect of taxing corporate income at the shareholder level. In my opinion no action should be taken in this area, without study by the tax-writing committee as to its relationship to the whole field of corporation-stockholder transactions.

Two amendments added by the other body would increase the amount of Federal participation in State expenditures under the public assistance provisions of the Social Security Act. Since these amendments have no relationship to the continuation of existing tax rates, the conferees agreed to eliminate these amendments.

So, you see that the conference report so far as its effect on revenues in fiscal 1960 is identical with the bill that passed the House. For that reason I feel that the House should accept the conference report, because we have brought back to you almost exactly what you passed some days ago and the revenue will be preserved in fiscal 1960.

Our colleague, the gentleman from Rhode Island [Mr. FORAND] did not sign the conference report because he felt that the House conferees should have insisted on the House-passed bill without change. His position is consistent with that which he expressed all along, namely, that since he and other House Members refrained from offering amendments in which they are interested in order that the extension bill might be considered in an orderly manner, we should insist that the conference report be confined to the subject of the extension of the Korean taxes. I fully appreciate and respect his position.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SIMPSON.]

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I join with the able chairman of the Committee on Ways and Means, my distinguished colleague from Arkansas, in urging the membership of the House to approve the conference agreement before us today on H.R. 7523.

This legislation as it passed the House provided for the continuation for an additional year through June 30, 1960, of the 30 percent normal tax rate applicable to corporate incomes—making the combined normal and surtax rate 52½—~~and~~ the existing excise tax rates on distilled spirits, beer, wine, cigarettes, passenger automobiles, and auto parts and accessories. The House-passed version of this legislation would have prevented revenue losses to the Treasury

scheduled under existing law to take place on July 1, 1959, of \$2 billion in fiscal year 1960 or a full year revenue loss of \$3.1 billion.

In recognition of the urgent fiscal needs of the Federal Government, the membership of the Committee on Ways and Means and the membership of the House of Representatives refrained from offering what might otherwise be considered meritorious amendments to this must legislation. There are many tax rate adjustments and substantive changes in our tax laws that we would all like to support to ease the tax burden imposed on our citizens but the House faced its responsibility and recognized that the bill H.R. 7523 was not the legislative vehicle to use for this purpose. The June 30 termination dates contained in existing law that would be extended by this bill must be extended by midnight tomorrow if we are to avoid the expiration of these tax rates and the consequent loss of up to several hundred million dollars to the Federal Treasury.

When H.R. 7523 was returned to the House on Friday, June 26, 1959, there were five amendments to the bill on subjects which the Congress had not considered recently in public hearings and which would have had an adverse impact on the Federal budget or which would have taken from our citizens a fully warranted tax saving that the Congress had previously granted to them.

These five changes that were approved in the other body on which the Congress has had no recent hearings might be enumerated as follows:

First. The 10-percent Federal excise tax on transportation of persons would have been repealed effective August 1, 1959.

Second. The communications taxes applicable to telephone, telegraph, and other wire services would have been terminated effective July 1, 1960.

Third. The dividend received credit for individuals which gives to 12½ million shareowners in American industry partial relief from the double taxation on dividends and which stimulates equity investment would have been repealed.

Fourth. The maximum amount of State expenditures in which the Federal Government would share under certain public assistance provisions of the Social Security Act would have been increased.

Fifth. The Federal share of public assistance would have been changed in certain States by increasing the Federal matching under a variable annuity formula.

Mr. Speaker, regardless of whatever merit any of these provisions might have, I respectfully suggest that such merit is offset by the inclusion of amendments of this character in a tax rate extension bill in the absence of timely public hearings and without the most careful committee consideration.

The House conferees were successful in having deleted from the bill the last three of the five amendments that I enumerated. The first two enumerated amendments were modified so that they will have no budgetary effect in fiscal

year 1960 and so that their scope will be not as broad as originally provided in the amendments that came to the House. Under the conference agreement the Federal excise tax applicable to transportation of persons is scheduled to be reduced from 10 percent to 5 percent effective with respect to amounts paid on or after July 1, 1960. The proposed repeal of all communications taxes effective July 1, 1960, has been modified so that the repeal will be applicable only to local telephone service.

Mr. Speaker, as a consequence of this conference agreement we find two new categories of excises that are scheduled to be either reduced or repealed in part on July 1, 1960. I refer to the transportation tax and to the communications tax. To the billion-dollar package in excise tax reduction to which a termination date is presently applicable we have with this conference agreement added another one-half billion dollars. I submit, Mr. Speaker, that the increasing size of the revenue loss that will in the future be entailed in permitting these termination dates to take effect will serve to make such an occurrence that much more remote.

The mere enactment of a termination date will not of itself reduce anybody's taxes. By a succession of tax rate extension bills we have seen the fallacy of the thinking that a termination date makes tax reduction closer at hand. If we are to have tax reduction, it is not a termination date that we must strive for but instead we must strive for and achieve less Government spending.

If during the course of the past 5 years we had not permitted the expenditure side of the Federal budget to increase above the \$69 billion level we maintained as recently as fiscal year 1955, both tax reduction and debt reduction would today be possible. Unfortunately we have not been consistent in our attitudes toward spending and taxation; we have actually spent more so that today we are unable to tax less.

Mr. Speaker, a conference committee meeting is usually a time for equitable compromise with respect to the differing versions of legislation passing the House and the other body. I submit, however, that compromise was not at stake in the conference meeting on this legislation for a number of reasons. First, we had the act of total forbearance on the part of the membership of the House in offering any amendments to this urgent legislation because of the recognized need of the Federal Government for the revenue involved. Secondly, we knew that many amendments in which we might be interested should receive careful committee consideration in public hearing and in executive session before they could be offered to any bill. Thirdly, it was recognized by the House conferees that the imminence of the June 30, 1959, rate reduction date in existing law for the taxes affected by H.R. 7523 precluded the careful study in conference of the amendments that had been approved in the bill. For those reasons the House conferees endeavored to bring back to the House a conference agreement that was as close as possible

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued July 1, 1959
For actions of June 30, 1959
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Access roads.....	37
Agricultural	
appropriations.....	1
Animal diseases.....	40
Appropriations.....	1, 2, 3, 4
Budget.....	18
Census.....	25, 42
Coffee.....	16
Conservation reserve.....	1
Conservation Corps...	21, 26
Contracts.....	6
Cotton.....	12
Economic conditions.....	19
Electrification.....	17, 31
Farm program.....	33
Fiscal policy.....	19
Foreign aid.....	13, 22, 28
Foreign currencies.....	14
Forestry.....	16, 30, 37
Holidays.....	5
Housing loans.....	10, 39
Inflation.....	9, 18

Information.....	42
Interest rates.....	11
Lands.....	8, 34
Legislative program.....	22
Library services.....	23
Minerals.....	38
Mutual security.....	13, 22
Patents.....	7
Personnel.....	5, 29
Price supports.....	1, 16
Prices.....	9
Property.....	36
Public Law 480.....	14
Purchasing.....	32
Recreation.....	27
Research.....	16, 20, 35
School lunch.....	1
Security.....	32
Small business.....	41
Soil conservation.....	35
Surplus food.....	24
Textiles.....	28
Water conservation.....	35
Wheat.....	15

HIGHLIGHTS: Both Houses agreed to conference report on agricultural appropriation bill. Both Houses passed appropriation continuation measure. House received conference reports on: Commerce appropriation bill. State-Justice appropriation bill. House passed bill to provide Friday off for holidays on Saturday. Sen. Johnston urged USDA action to curb cotton imports. Senate began debate on mutual security authorization bill.

HOUSE

1. **AGRICULTURAL APPROPRIATION BILL, 1960.** Agreed to the conference report on this bill, H. R. 7175, and acted on the three amendments in disagreement. (pp. 11195-204).

With respect to the amendment in disagreement on school lunch, agreed to an amendment by Rep. Whitten to strike out of the provision transferring \$43,657,248 from funds available under section 32 for the school lunch program language which would have limited use of the funds "for the general purposes of section 32" (p. 11195). The purpose of this amendment is to remove the legal requirement that these funds be used for the purchase of foods in surplus supply.

With respect to the amendment in disagreement on the length of contracts and fair rental value of land placed in the conservation reserve, agreed to an amendment by Rep. Whitten as follows:

"Provided further, That (1) no part of the funds authorized for 1960 may be used to enter into annual rental contracts for a period of time or at rates or in amounts which are in excess of limitations imposed by present regulations or announcements, (2) in establishing annual rental rates for new contracts, no such rental rate shall be established in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past five crop years including the current year, (3) in handling funds within any State, first consideration shall be given to those applicants who were not offered contracts during the 1959 sign-up due to limitation of funds, and (4) in the allocation of funds and administration thereof, the Department shall not allocate funds on any basis not in accord with the purposes as set forth in the basic law."

With regard to the amendment in disagreement limiting price support payment to any person, agreed to an amendment by Rep. Whitten as follows:

"Providing further, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year in such percentage, not to exceed 20 percent, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within 12 months from the date of the advance of such funds, or at such later date as the Secretary may determine.

"(2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof.

"(3) That in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation, and

"(4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision." (pp. 11198-204).

The Senate later agreed to the conference report, and concurred in the amendments of the House to the amendments in disagreement (pp. 11129-41). This bill will now be sent to the President.

INFLATION IS NO LONGER A JOKE

Mr. YOUNG of North Dakota. Mr. President, inflation represents a far more serious and dangerous threat to the future of the United States than many people realize.

One of the best editorials that has come to my attention on the subject of inflation is one that appeared in the San Francisco Call-Bulletin under date of Wednesday, June 24, 1959, under headline "Inflation No Joke."

Mr. President I ask unanimous consent that this editorial be printed in the RECORD as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INFLATION NO LONGER A JOKE

Except for war itself, the most ominous shadow that clouds the American economic skies today is the menace of expanding inflation. Inflation used to be a two-dollar word that people stuck into their conversation to show off their vocabularies. It did not mean anything, because it never really happened to us.

The American people were vaguely aware that it happened in Germany after the first great war. There were fantastic stories about a loaf of bread costing millions of marks. It wasn't funny in Germany, but our jokesmiths made quite a thing out of it.

Well, it isn't funny in America any more, either. Inflation has really happened to us at last, and it hurts. If it goes on long enough, and keeps on getting worse, it is going to destroy us.

What inflation does to us is to take so much of our income as individuals and as families that the little left for living is not enough. So everybody demands higher wages, and then prices of everything go up. Then along comes the Congress, the State legislatures, the boards of supervisors, and taxes are raised and new taxes levied. The whole vicious spiral spins and spins.

The American people, and their lawmakers, are going to get smart about this very quickly, or they are going to get hurt very badly. The remedy for inflation must originate with government at the highest levels.

Government spending in excess of revenues is one of the major causes of inflation, but the Congress goes right on appropriating money that the American people have not even earned yet. President Eisenhower pleads earnestly for a balanced Federal budget, but spending and taxing and borrowing go blithely on.

Caught up in the whirlwinds of inflation, America must make a safe landing or crash. And as we suggested in the beginning, the only thing worse than that kind of a crash is war itself.

DEPARTMENT OF AGRICULTURE
AND FARM CREDIT ADMINISTRATION
APPROPRIATION BILL, 1960—
CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senate may proceed to consider the conference report on the Department of Agriculture and Farm Credit Administration appropriation bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RUSSELL. Mr. President, I submit a report of the committee of con-

ference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 29, 1959, pp. 11009-11010, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, I shall make a brief statement with respect to some of the items which are included within the conference report. As is usual in matters of this kind, there was a compromise on the Senate increases for the agricultural research service. The Senate was sustained in these activities in many instances, but was compelled to make some reduction in the amount of money involved.

In the appropriation for watershed protection, for which the House had allowed \$25,500,000, and the Senate had allowed the budget figure of \$20 million, the conference report provides \$22,750,000. That is an increase of \$2,750,000 above the Senate figure and the budget estimate.

With respect to the flood prevention item, in which great work is being done on such important projects as the Washita and Trinity Rivers, the Senate receded from its amendment, which reduced the House item of \$18 million to \$15 million, and a total of \$18 million is included.

The Senate was able to maintain its position with respect to the Great Plains conservation program.

In the item for poultry inspection, we have provided \$10,203,000. This is \$294,000 under the estimate, but the evidence before us indicated that only about 550 of the 750 plants eligible to be inspected have so far been brought under the operation of the act. It will probably be very late in the fiscal year which begins tomorrow before all the plants will be included. So there should be adequate funds with which to carry on that work.

One of the most highly controversial items in the bill was that which had to do with the 1960 program authorization of the conservation reserve program of the soil bank. Senators will recall that the Senate, by a yea-and-nay vote, on the basis that this would be the last year

in which this program would be in operation, allowed \$450 million. The House figure was \$325 million. I regret very much to advise the Senate that despite every argument which we would bring to bear, we were unable to get above the budget estimate of \$375 million for the soil bank conservation reserve program for next year.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. COOPER. Will the sum agreed upon permit the continuation of all contracts which have been made in the past fiscal year?

Mr. RUSSELL. Oh, indeed. Not only will it carry out all the contracts made during the past fiscal years, but it will allow for at least 5 million acres additional which will be brought into the program in 1960.

Mr. COOPER. The program will continue to remain in operation through fiscal year 1960; will it?

Mr. RUSSELL. The program will be carried through the calendar year.

Mr. COOPER. We discussed this item when the bill was before the Senate. I remember the vote. I congratulate the Senator from Georgia and the other conferees for at least maintaining the amount which they did.

Mr. RUSSELL. I thank the Senator from Kentucky. I assure him that it was not an easy matter. Almost all the House conferees seemed to agree with the views of the distinguished Senator from Delaware [Mr. WILLIAMS] on this program. The Senate was compelled to yield \$75 million in conference.

I think I have dealt with some of the major items in the conference report. Three amendments have been reported in disagreement. I therefore move that the conference report be agreed to; then we can take up the amendments which are in disagreement, including the one which has to do with the limitation on the amount of support which can be extended.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Georgia explain what the conferees did in respect to the \$50,000 limitation?

Mr. RUSSELL. I shall be very happy to undertake to explain that item. This was the most controversial item in the entire bill. It had to do with the \$50,000 limitation on the amount of support which could be extended to any one person. That was the amendment which was adopted by the Senate.

I ask Senators to bear in mind that, as is always the case when we legislate hastily on the floor of the Senate, we made a grievous error in that the original amendment made no provision for the continuation of the effective price support program with respect to dairy products, meats, and any other products supported by this method of purchase. The amendment as agreed upon by the conferees contains language which corrects that error.

There are three or four very substantial differences between the amendment agreed to in the conference and the original Senate amendment. First, the original amendment limited the amount of support to \$50,000 to any one person for

whatever number of commodities he might produce. The House conferees were adamant in their opposition to that proposal.

It was pointed out that some 24 different agricultural commodities have programs; 22 of them have support; in 2 of them, wool and sugar, payments are made; also, some of the commodities are in surplus, and some are not in surplus. In fact, with respect to wool and sugar, the subsidies were paid to increase production, and therefore it was highly impracticable to apply the \$50,000 limitation. Of course, the purpose of the Senate in adopting the amendment was to attempt to discourage the production of great surpluses—primarily by the large farmers.

So the provision, as reported to the Senate from conference, limits the amount of the price support to \$50,000 as to any commodity. It limits its application to commodities which are declared by the Secretary to be in surplus supply.

Mr. HOLLAND. Mr. President, at this point will the Senator from Georgia yield?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from Georgia yield to the Senator from Florida?

Mr. RUSSELL. I yield.

Mr. HOLLAND. As I recall, the Senate amendment was, likewise, limited to support prices paid by the Commodity Credit Corporation—which is not the case with reference to sugar and wool.

Mr. RUSSELL. I regret to say that the Senator from Florida is in error on that point. I took that position in conference; but the House conferees pulled out the legislative acts and showed that with respect to wool the payments were made directly by the Commodity Credit Corporation.

Mr. HOLLAND. But not in the case of sugar.

Mr. RUSSELL. I am not too sure about that. I think the operation of the Sugar Stabilization Act is also under the Commodity Credit Corporation, because I was thrown into some confusion when the House conferees handed me the acts. In the conference I took the same position the Senator from Florida has taken just now.

Mr. HOLLAND. I certainly would have been similarly confused, because I believed that in all cases in which the processing tax was involved, the payments were made by an agency other than the Commodity Credit Corporation.

Mr. RUSSELL. I made that statement, and said that the Wool Act would be amended by requiring that the payments be made out of the funds of the Commodity Credit Corporation, if adequate funds from the processing taxes were not available.

Mr. WILLIAMS of Delaware. Mr. President, do I correctly understand that there is also this difference: The amendment, as adopted by the Senate provided a \$50,000 limitation in the case of all agricultural commodities produced by any one person, whereas the conference report provides a \$50,000 ceiling on each individual commodity.

Mr. RUSSELL. That is correct, and limits it to the commodities which are

declared to be in surplus supply. We did not think the purpose of the action taken by the Senate was to destroy the support program. We apprehended that the purpose of the action of the Senate was to do away with the enormous payments which were made and the great losses which were incurred on loans in excess of \$50,000.

Mr. WILLIAMS of Delaware. That was the purpose of the Senate action, and it was also the intention of the Senate that it be limited to \$50,000 in the case of any one individual for all commodities which he might produce.

The conference report, if I correctly understand it, also provides two exceptions from the \$50,000 limitation. If I understand the conference report it would be possible under certain circumstances for a person to be exempted from the \$50,000 limitation and get as much as \$1 million. Is that correct?

Mr. RUSSELL. Not unless he reduced his production by 20 percent.

Mr. WILLIAMS of Delaware. But the conference report does not so provide. It provides that he shall reduce it "not to exceed 20 percent." Conceivably the reduction could be as little as 1 percent.

Mr. RUSSELL. "As the Secretary may determine."

Mr. WILLIAMS of Delaware. As the Secretary may determine?

Mr. RUSSELL. Yes.

Mr. WILLIAMS of Delaware. In the case of cotton, if the Secretary determines the amount of cotton acreage which will be allocated for the crop year 1960 and if a farmer complies with that allotment, then, as I understand the conference report he will then be eligible for price support loans in any amount provided only that he agrees to pay back all except \$50,000. Is that correct?

Mr. RUSSELL. That is correct, if he reduces his production by 20 percent.

Mr. WILLIAMS of Delaware. Where does the conference report require that he reduce his production by 20 percent?

Mr. RUSSELL. Of course, we assume that the Secretary will make him reduce it to the maximum, if he is in favor of this general idea at all.

Mr. WILLIAMS of Delaware. Was it the intention of the conference committee that the Secretary would make it mandatory that the production of all crops in surplus would automatically be reduced 20 percent?

Mr. RUSSELL. No; I do not think that. But I think it is left up to each producer.

In this case we are not dealing with a great number of producers; we are dealing with a great deal of agricultural production, but not with many producers. The number of producers who produce more than \$50,000 worth is comparatively small, but they produce a great proportion of the total production. This matter relates only to those who produce more than \$50,000 worth. We should bear that point in mind. It has nothing to do with a producer who produces less than \$50,000 worth of a commodity.

Mr. WILLIAMS of Delaware. But as I understand the conference report, conceivably a man who produces cotton or wheat can comply with the recommen-

dation of the Secretary of Agriculture in connection with his quotas and still be eligible for, let us say, a \$1 million loan, on that particular crop.

Mr. RUSSELL. That is correct, if he reduces his production by 20 percent.

Mr. WILLIAMS of Delaware. Again I ask where in the conference report is it provided that he must reduce his production by 20 percent? The report says "not to exceed 20 percent."

Mr. RUSSELL. It says "as the Secretary may determine."

Mr. WILLIAMS of Delaware. That is correct. But a cut "not to exceed 20 percent" does not necessarily mean that a cut of that amount will be required.

Mr. RUSSELL. Of course the Senator from Delaware would not assume that the Secretary of Agriculture would refuse to do his duty.

I may say that the House vigorously insisted that this be kept down to 10 percent, on the whole; and the other Senate conferees will bear out my statement when I say that the Senate conferees suggested that it be increased to 20 percent.

Mr. WILLIAMS of Delaware. I am simply trying to obtain an understanding of how the provision will work should it be adopted.

Mr. RUSSELL. I shall state my understanding of it. Let us consider the largest producers—for instance, one who produces \$500,000 worth of wheat. He could not be entitled to receive any support in excess of \$50,000 unless he reduced his production by \$100,000 worth. That is my understanding of that provision.

Mr. MUNDT. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. MUNDT. As a member of the conference committee, let me say that my understanding is precisely that which has been stated by the chairman of the committee. During the conference committee deliberations, I raised the same question as the one to which the Senator from Delaware is now devoting his attention—namely, to the use of the words "not to exceed."

After I raised the question, it was the understanding of the conference committee that the provision would operate in precisely the way the distinguished chairman of the committee has just stated—namely, that it was left to the determination of the Secretary of Agriculture, but that he could insist and that he would insist on a reduction of at least 20 percent. He could not insist on a reduction of more than that, but he could insist on that much reduction, before the processor would be entitled to a loan of more than the original \$50,000.

Mr. RUSSELL. It was suggested that we add the words "not less than 20 percent." But that would have permitted the Secretary to insist that a producer could not produce more than 5 percent; such a provision would have given the Secretary unlimited authority.

We provide that the Secretary can compel a reduction by as much as 20 percent.

I think everyone agrees that if we are ever to get out of the terrible morass we are in, production must be reduced or

the program must be made so unattractive that the producers will not participate in it.

I state that insofar as the payment of more than \$50,000 is concerned, the amendment meets both of those requirements.

Mr. WILLIAMS of Delaware. Is it the intention of the conferees that if the conference report is adopted by the Senate the Secretary of Agriculture will be bound to require a reduction by 20 percent of the production of all crops which are in excess supply in order to receive any loan in excess of \$50,000?

Mr. RUSSELL. Unless he was willing to make a nonrecourse loan.

Mr. MUNDT. Yes.

Mr. RUSSELL. Yes; and I will say that if the option in (a) is utilized, so far as the principal commodities—wheat, cotton, and corn—are concerned—and they are the ones that are causing us trouble now—I would consider the Secretary to be derelict in the performance of his duty if he did not require a reduction of the full amount of 20 percent.

So far as I am concerned, as one of the conferees, it is my understanding and my hope and my wish that the Secretary would require a reduction of 20 percent.

Mr. WILLIAMS of Delaware. Suppose farmer X is on the border line, and suppose that last year he produced \$55,000 worth of such commodities. In that case he would have to make a reduction of 20 percent, which would give him \$44,000.

Mr. RUSSELL. That is correct.

Mr. WILLIAMS of Delaware. So he would have to produce less than would be produced by a farmer who the previous year produced \$49,000 worth.

Mr. RUSSELL. That is correct; the provision would have that effect.

Mr. WILLIAMS of Delaware. Was that the intention of the committee?

Mr. RUSSELL. No; that would be just in case he would be entitled to receive a loan—but not if he produced only \$49,000 worth.

Mr. WILLIAMS of Delaware. That is what I mean.

Mr. RUSSELL. Nothing in the amendment would affect in any way a farmer who produced less than \$50,000 worth—for instance, the farmer who produced only \$49,000 worth. There was nothing of that sort in the bill or in the amendment, as it was approved by the Senate, when the matter was being considered by the Senate.

This provision of the conference report touches only those who are paid \$50,000.

Mr. WILLIAMS of Delaware. When could the Secretary make such a determination under the law with respect to crops?

Mr. RUSSELL. In my opinion he would issue a regulation which would be published in the Federal Register at the same time that he announced his loan program—as he does each year. At that time he would make his finding as to the amount that a producer would have to reduce his production.

Mr. WILLIAMS of Delaware. At what time of the year does that announcement usually come?

Mr. RUSSELL. At different times. In the case of cotton that is marketed in the fall, I think the announcement is made sometime late in the spring, it varies by commodities. I am not sure as to wheat.

Mr. YOUNG of North Dakota. On the first of June.

Mr. RUSSELL. For the spring wheat of the following year?

Mr. YOUNG of North Dakota. Yes.

Mr. RUSSELL. So the producer would have to be given notice. He just could not be required to reduce his production. These producers know about how much they have been producing, and they know what the situation is; and each farmer knows how the amendment will affect him. The Senate need not worry that the farmers will not understand this provision, because it does not deal with the small farmers. It only deals with those who produce more than \$50,000 worth of a commodity; and such a farmer knows about as much about the regulations of the Department of Agriculture and about the Commodity Credit Corporation loan program as anyone else does, because his livelihood depends on knowing.

Mr. WILLIAMS of Delaware. In connection with the proposed 20 percent reduction of production, I have received this comment from the Department:

While the provision is not clear, it is presumed the measure of reduction in production would be in terms of acreage for field crops and in units of quantity for all other commodities.

What is the intention of the committee?

Mr. RUSSELL. It is my opinion it should be in production units. I do not think we are going to get anywhere on acreage. I think it should be in bushels or pounds. If I were the Secretary, that would be my view.

Mr. WILLIAMS of Delaware. I asked the Department for its view. I have a reply signed by Mr. Morse under today's date. I read again his comment on this particular point. He says:

While the provision is not clear, it is presumed the measure of reduction in production would be in terms of acreage for field crops and in units of quantity for all other commodities.

Mr. RUSSELL. That is the construction the Department puts on it. I would not have construed it that way, but the Secretary so construed it. It is still a 20-percent reduction in units on field crops.

Mr. WILLIAMS of Delaware. In the Senator's opinion, does the language in the report provide differently?

Mr. RUSSELL. No. We used the word "production" deliberately, because that would leave it up to the Department of Agriculture to define the word. It must be remembered we are dealing with 22 different commodities. It is very easy by looking at the great glut in wheat to be swept away and to say, "We are going to legislate to do away with that glut," but when we legislate in the field of agriculture we are dealing with such commodities as rice, barley, oats, dairy products, peanuts—22 or more different commodities. So we left it up to the Secretary, by giving him the authority to define the term and prescribe the proper regulations. I hope he makes it either on a bushel or pound basis; but

if he does not, he has the right to construe it as he chooses.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I believe the area I represent probably grows the most diversified crops of any area in the United States. We grow practically every field crop except tobacco and cotton. Many of those products are price supported, including oats, barley, rice, and soybeans. Although some of them have very low price supports, we get into a very complicated situation if we provide only one description for all of them.

I may say I was not at all satisfied with the compromise which was accepted, but I think it was the best possible compromise the Senate could have obtained from the House. The House conferees were perfectly willing to stand on their amendment, which was practically meaningless. Those of us who believe in a limitation on price supports that any one individual can receive think this is far better than the House amendment.

Mr. RUSSELL. At the outset of the conference the House conferees did insist on the House amendment very vigorously. If the chairman of the conferees had been representing only the Senator from Georgia, he would have accepted their amendment; but he felt duty bound to get something which approximated, as nearly as possible, what the Senate had done.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from South Dakota.

Mr. MUNDT. Following the discussion of the intention of the legislation and the meaning of the words "production in terms of units or acreage," I should like to call to the attention of the Senator from Delaware the fact that, in the first place, the letter does not come from the Solicitor of the Department of Agriculture, who will finally render the Department's opinion. This was a hasty opinion which Mr. Morse had to make, because he had less than 24 hours in which to make it.

The language of the letter contains the word "presumably." He does not say that "with finality, we have made this decision." By reading the letter, one gets the implication which the Senator from Georgia has suggested. The language is in terms of units. It uses the word "production," not commodity. That means unit. It states that "the limitation would not apply to a person who reduces his production of the surplus commodity below 1959 production by such percentage not to exceed 20 percent as the Secretary" determines to bring into production—that means harvest—in line with the needs to meet the domestic supply, and so forth.

I think that as the Solicitor considers the language he will give to it the interpretation which has been given to it by the Senator from Georgia, namely, that weight will be given to the interpretation and meaning in the conference report.

Mr. RUSSELL. Let me state that I wholeheartedly agree with the statement of the Senator from South Dakota. When this language was urged by the conferees, it was stated they wished to use the particular word so the Secretary could deal with the question in terms of pounds or bushels. I think this language was an invitation to the Secretary of Agriculture to consider it that way and deal with the question in terms of pounds, bushels, or such production units, rather than by acreage. We have seen again and again and again that a mere reduction in acreage does not in all instances reduce production.

Mr. WILLIAMS of Delaware. Are we to understand that if the conference report is accepted it is the intention of the conferees to contend that the Secretary should interpret it to mean that no farmer or individual or corporation or person, as defined in the bill, is eligible for a loan in excess of \$50,000 unless it can be shown that he has reduced his production by 20 percent?

Mr. RUSSELL. That is undoubtedly my intention.

Mr. MUNDT. That is precisely it, and it is as clear as it can be stated in brief legislative language.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. Yes, I will yield to the Senator from Vermont, if the Senator from Delaware is through.

Mr. AIKEN. I think he is through.

On June 2 I explained to the Senate that the provisions of the Agricultural Appropriations bill limiting to \$50,000 the amount of price support which any person may receive on all of his 1960 production of any agricultural commodity is impossible of administration in the case of the dairy price support program. I pointed out at that time that dairy farmers market milk and that the Commodity Credit Corporation does not purchase or make loans on milk. As required by law, the Commodity Credit Corporation supports the price to producers of milk and butterfat through the purchase of products thereof; namely, butter, cheese, and nonfat dry milk. These purchases are made from dealers and manufacturers in carload lots, and it matters not at all whether the products originate from one plant or another, or whether the products are made from the milk of one group of farmers or another. Milk delivered by farmers is commingled at the plant where it is processed. The products made from the milk may be sold to Commodity Credit Corporation or they may be sold in the market. The Commodity Credit Corporation merely stands ready to purchase products of milk in an amount necessary to support the price for all producers. The identity of the farmers whose milk is purchased as products by Commodity Credit Corporation is lost and is of no consequence.

Many small plants cannot assemble carload lots for sale to Commodity Credit Corporation, but forward less than carload lots to assemblers or other handlers who may sell to Commodity Credit Corporation as well as to the trade. Under these circumstances it would be im-

possible and not important to determine the amount of price support extended to any participating farmer through the purchase of dairy products under the dairy price support program. For this reason, I explained on June 2 that it was essential that an exception to the limitation be made where price support is extended to purchases of a product of an agricultural commodity from processors and dealers, and there is no practicable way or need to apply such a limitation.

At that time I suggested an amendment to the agricultural appropriation bill to provide this exemption, and at that time I was given to understand by the Senator from Georgia that this matter would be studied and considered by the conference committee of which he served as chairman.

Mr. RUSSELL. I may say I went further than that. I assured the Senator I would endeavor, to the best of my ability, to work it out; and I did.

Mr. AIKEN. The purpose of the Senator from Georgia was entirely clear at the time. I am not questioning that he did everything in his power to make the conference report clear.

The conference report did not adopt the specific language which I had suggested. It would appear that the language of the price support limitation as agreed upon by the conferees would be applicable to producers of commodities which maintain their identity as farm commodities and to producers whose identity as owners of the commodity can be maintained until the commodity is acquired by CCC. It is evident that in cases where the identity of the producer and the identity of the commodity is not maintained as in the marketing of dairy products that the conferees' language regarding limitation of payments cannot be applied, and therefore is not intended to be so applied.

I would ask the Senator from Georgia, chairman of the Senate conferees, to tell me if I am correct that the language as finally reported exempts this type of price support operation from the \$50,000 limitation.

Mr. RUSSELL. Mr. President, I will say to the Senator from Vermont that it was the intention of the conferees—and I am confident it is the effect of the language—to exempt from the limitation any price supports which are the result of purchases from persons other than the producers of the commodities.

Mr. AIKEN. Would the Senator from Georgia say that any other interpretation placed upon the legislation would not be in accord with the intent of Congress?

Mr. RUSSELL. Not only would it not be in accord with the intent of the conferees, but in my opinion it would be far-fetched and completely unjustified by the plain language of the provision.

Mr. AIKEN. I thank the Senator from Georgia.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WILLIAMS of Delaware. I do not disagree with the intent as expressed; however, I think we should put into the RECORD the interpretation

which the Department places upon this point. I think the Department's interpretation is most important. I read from the letter I received from the Department wherein they comment upon this point:

Where price support is extended by purchases of a product of an agricultural commodity from persons other than a producer the limit does not apply to the purchases or loans to such person but does apply to the amount of price support extended to the producer through such person. Presumably, this provision was inserted to facilitate the conduct of such programs as the dairy and cottonseed price support programs. It would have the opposite effect, since it would make it impossible to operate such programs. It is impossible to determine the amount of price support that has been extended to any particular farmer with respect to dairy products or with respect to cottonseed through purchases of or loans to persons other than the producers of agricultural commodities. In this connection there is attached a copy of the hearings held by the Appropriations Committee on June 9, 1959, which contain on pages 31 and 32 the Secretary's letter of June 12, 1959, to Representative WHITTEN concerning this matter.

I have not had a chance to review the hearings to which reference is made; however, there does seem to be a difference of opinion.

The Department has given an opinion what we grant was a hasty analysis of the amendment. When I called the Department around 9:30 or 10 o'clock this morning they had not seen a copy of the conference report. They had to review it very quickly. Again I quote from the Department's interpretation of the amendment, "It would have the opposite effect, since it would make it impossible to operate such a program."

I wonder if the Senator from Georgia, whose sincerity I certainly do not question when he gives his answers to the Senator from Vermont, can explain this point further. I am disturbed by this conflict in interpretations. I wonder if it would not be advisable to let this conference report go over until tomorrow so that we could have more time to study it and so that we could give the Secretary opportunity to call in his legal counsel for a careful analysis of the amendment?

We do not want to agree to an amendment which is going to be unworkable. We do not want to adopt an amendment which will nullify the intent of Congress. Nor do we want to adopt an amendment which is full of loopholes. I know the Senator from Georgia has no such intention. I do not for a moment suggest that he has. I simply ask if the Senator would, without prejudice at all to the conference report, agree to let it go over until tomorrow. By that time we could have a clear interpretation and a report from the Department.

Mr. RUSSELL. Mr. President, I regret to say that I do not think there is any necessity for the report going over until tomorrow. I think it would be a great mistake for the Senate not to agree to the report. If we open up the amendment and send it back to conference, or to the other body, for my part

I will not assume any responsibility for the kind of provision we may bring back to the Senate the next time.

Let me invite the Senator's attention to subparagraph (4) of the amendment. No one seems to have paid any attention to that. In this subparagraph we try to give the Secretary of Agriculture the authority to do whatever is necessary to make the amendment function, when we say:

The Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision.

The very purpose of that language was to make it a workable provision.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. WILLIAMS of Delaware. The Department in its reply recognized the intent, but they questioned the language. In this letter they continued—

Mr. RUSSELL. Who signed the letter?

Mr. WILLIAMS of Delaware. Mr. True Morse.

Mr. RUSSELL. I should like to know whether Mr. Morse came to that conclusion as a result of his own study of the amendment, or whether the conclusion was handed to him by some attorney whose nose was out of joint because the conferees did not use the identical language in the conference report he had prepared and sent to us.

Mr. WILLIAMS of Delaware. I am sure that Mr. Morse did his best to interpret the language of the report. I want to make sure we know what we are doing in this connection.

Mr. RUSSELL. I will say, for the benefit of all concerned, it is my judgment we had better agree to the conference report now. If there is any question about the matter, or if the Secretary can get a lawyer who will find some hindrance to the program, it will be much safer to enact a joint resolution to clarify it than to send the report back to conference.

Mr. WILLIAMS of Delaware. If the Senator will yield further, I should like to ask another question.

Mr. RUSSELL. I do not think clarification of intent will be necessary, but if the Secretary does by some strange construction reach that conclusion, it could be better handled that way.

Mr. WILLIAMS of Delaware. If the Senator will yield further, I should like to ask a question in connection with the \$50,000 limitation. I am fearful the language in the conference report will not have the effect which the Senate intended.

Specifically, I refer to the exceptions which are placed in the conference amendment. The conference report first spells out there shall be a \$50,000 limitation on any one commodity and then adds "unless".

Subparagraph (a) provides for a reduction of production of not to exceed 20 percent, as prescribed by the Secretary. Continuing I refer to subparagraph (b), which says:

Or such person shall agree to repay all amounts advanced in excess of \$50,000 for

any agricultural commodity within 12 months from the date of the advance of such funds or at such later date as the Secretary may determine.

Under that latter exception, subparagraph (b), do I correctly understand that if a person has, let us say, a million dollars' worth of wheat, cotton, or any other crop, he can apply to the Secretary of Agriculture for a million dollar loan and if he agrees in advance to the repayment of all but \$50,000, the Secretary would be obligated to grant him the full loan? Is that correct?

Mr. RUSSELL. Yes, I think that is correct. That would be correct, if the person were entitled to a loan under existing law.

Mr. WILLIAMS of Delaware. That is right. If the person has complied with the quotas.

Mr. RUSSELL. Yes.

Mr. WILLIAMS of Delaware. Even though he had not reduced his production 20 percent.

Mr. RUSSELL. That is correct. That is in the disjunctive; it is "or."

Mr. WILLIAMS of Delaware. It is "or" and not "and."

Mr. RUSSELL. Either one, yes.

Mr. WILLIAMS of Delaware. Under the exception in subparagraph (b) he would not have to comply with the 20 percent provision?

Mr. RUSSELL. That is correct.

Mr. WILLIAMS of Delaware. Instead he could agree to the repayment of all but \$50,000, and under such circumstances the limit would not apply.

Mr. RUSSELL. That is correct.

Mr. WILLIAMS of Delaware. Assuming that the person elected to take the loan under subparagraph (b), and the loan, we will say, was for a million dollars, what collateral would the person be required to put up?

Mr. RUSSELL. He would be required to put up a million dollars' worth of the commodity, as is true under existing law.

Mr. WILLIAMS of Delaware. Very well. Let us assume the person puts up a million dollars' worth of cotton or of wheat. For collateral purposes that would be appraised at the full support price, would it not?

Mr. RUSSELL. It would come into the loan under whatever support price had been fixed for a commodity of that quality and of that grade.

Mr. WILLIAMS of Delaware. Now, let us assume that the loan has been made and that there has been no cutback of production. The loan has been made for a million dollars on cotton, we will say, and the farmer has agreed to repay all but \$50,000. The Government has as collateral a million dollars' worth of cotton at the support loan price.

Mr. RUSSELL. That is correct.

Mr. WILLIAMS of Delaware. The maturity date of the loan 1 year afterward arrives. Cotton is selling, let us say, at 75 percent of the support price, and the farmer says, "I do not have the money to pay." Under this provision, does the Government have any collateral other than the cotton?

Mr. RUSSELL. No. The Government has no collateral other than the cotton.

Mr. WILLIAMS of Delaware. No collateral other than the cotton.

Mr. RUSSELL. As I understand the situation, the Government would be in exactly the same position that a private lender would be. The Government would proceed to sell the cotton and would apply the amount received to the loan, and then would sue the man who had taken the loan for the difference.

Mr. WILLIAMS of Delaware. That is what I am interested in. Are we to understand that the Government would have as collateral not only the crop but also the signature of the farmer which would include all his assets?

Mr. RUSSELL. The Government would be just as well off as a bank would be, if they loaned the money, under my construction of this language.

Mr. KEATING. Mr. President, will the distinguished Senator yield on that point?

Mr. RUSSELL. I yield.

Mr. KEATING. If the farmer had formed a corporation which had no assets except the cotton, then the Government would be out of luck?

Mr. RUSSELL. The basic law does not permit that, I will say to the Senator. The farmer has to qualify for the loan under the basic law, which gives him a cotton quota. Of course, if the man is insolvent the Government could not collect the money, whether the loan is to an individual or to a corporation. I agree with that.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. This language was put in the bill for a number of reasons, not the least of which is that although the Government may lose a few thousand dollars under this provision, or may even lose \$2 or \$3 million, the effect will be very severe if we do not adopt this provision. The supply of agricultural credits through private channels has all but vanished in this country. Farmers have done all their borrowing from the Government. If we cut them off, they are going to be compelled to throw their commodities on the market, which will break the prices, and the Government will lose money on the loans under \$50,000. The Government may lose some money under this provision, because there will be some instances in which some men will fail. The Government will not lose a great deal by it, and it will at least give the farmers a chance to get back into the commercial banking channels, something which is not generally available to them today.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. AIKEN. If the borrower defaulted on his loan to an extent of more than \$50,000, would he be eligible for a loan the following year?

Mr. RUSSELL. That I cannot answer. That is a question which has not previously been raised with me, and I had not thought about it. I would not think he would be, but there should be some way to cover it.

Mr. AIKEN. I understood, when the matter was discussed at one time, that if the borrower defaulted he would not be

eligible for a loan the following year. I do not know what the conference report says in that regard.

Mr. RUSSELL. The reason that question did not arise was that under the language of the provision this limitation has been for the 1960 crops, and is not permanent legislation. We simply did not deal with that matter. The Government may lose a little something, but it will not lose much in that way.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. The Government has a legal claim against whatever assets the man may possess. I will admit that farmers are going broke mighty fast, but most of the farmers who are going broke produce less than \$50,000 a year. When we are considering the farmers who make \$50,000 or more, most of them have other assets.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. As I understand this particular feature of the conference report, an attempt was made, first, to make the \$50,000 limitation effective, at least in terms of possible loss to the Government. If vast amounts of commodities are dumped on the market without the \$50,000 limitation applying, it tends to lower the market price.

Mr. RUSSELL. It does.

Mr. HUMPHREY. Which, in turn, lowers the value of the stocks in the Government inventory.

Mr. RUSSELL. The Senator is correct.

Mr. HUMPHREY. The effort is made to have a \$50,000 crop loan limitation with respect to any crop in the crop year of 1960, a one-year trial period, unless the producer reduces his production by 20 percent. That is one of the first provisos.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. Then he can get whatever loan the present law entitles him to.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. But he can get a \$50,000 loan, in terms of the limitation which will apply upon \$50,000 worth of the 1960 crop; and he can get an additional loan for a 12-month period, but he must pay back everything over and above the \$50,000.

Mr. RUSSELL. He is just as liable for everything above \$50,000 as though he had borrowed from a bank. He is liable to the extent of everything he has.

Mr. HUMPHREY. The collateral is the commodity on which he takes the loan.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. If he does not repay the loan, the Government can foreclose, so to speak.

Mr. RUSSELL. It has that authority under existing law. It can also sue.

Mr. HUMPHREY. It can sue for any amounts not reclaimed from the sale of the commodity.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. I wish to make one point clear. I listened to the colloquy between the Senator from Georgia and the Senator from Vermont with respect to part 3 of the proviso, which was in dis-

agreement, and upon which the House has acted. I refer to the language:

In the case of any loan to or purchase from a cooperative marketing organization—

And so forth. I do not want the RECORD to be beclouded or confused by the letter from True Morse.

Mr. RUSSELL. I hope the legislative intent will not be confused with a letter from True Morse.

Mr. HUMPHREY. That is exactly what I am getting at. Mr. Morse is entitled to his opinion. He is entitled to have it put in the CONGRESSIONAL RECORD. Other items of less value—although that is dubious—have been put in the CONGRESSIONAL RECORD.

The fact is that the legislative history of a proviso of law is made by the Congress, and not by the administrative official at this stage. As I understand the legislative history of this particular conference report, it is to the effect that the \$50,000 limitation does not apply where there are direct purchases from marketing or cooperative organizations, involving transactions wherein the commodities are commingled and it is impossible to determine the amount any one producer put into the general accumulation or supply of the marketing or cooperative organization. Is that correct?

Mr. RUSSELL. That is my interpretation of the language. As one of the conferees who labored long and diligently for many hours, that was the objective I was seeking.

Mr. HUMPHREY. I think we must nail that objective down, because without it the letter that has been referred to in all good faith by the distinguished Senator from Delaware [Mr. WILLIAMS] could lend itself to a considerable amount of confusion. I think we need to establish the rules of legislative procedure. While it is very desirable to get the attitude of the administrative officer in relation to a proviso in a bill before it becomes law, once it is established as law by official action of both Houses of Congress, the legislative intent and the meaning of the legislation is what Members of Congress establish as the meaning of the legislation, rather than any document which may come before us prior to the enactment of the law.

Mr. RUSSELL. Any construction Mr. MORSE may put upon the language is after the event, and without any knowledge whatever of legislative intent.

Mr. HUMPHREY. It seems to me the Senator from Vermont [Mr. ARLEN] made clear in his statement today, as he did in connection with the previous legislative history relating to our action in the Senate, the intent, the purpose, and the objective of the limitation, and its lack of application to cooperative marketing organizations.

Mr. COOPER. Mr. President, will the Senator yield at that point?

Mr. RUSSELL. I yield.

Mr. COOPER. I should like to have the Senator's interpretation of the language as applied to price support advances extended through cooperatives to tobacco farmers. As the Senator knows, Commodity Credit Corporation funds

are loaned to tobacco cooperatives, which pledge the tobacco as collateral until it is sold. The cooperatives—or tobacco "pools" as they are called—in turn extend to farmers the price support advances. I know that in Kentucky no burley producer has received a price support advance approaching \$50,000—and I am informed that there is no recent case anywhere else—but that is unimportant to my question.

My question is this: Is there any limitation intended by this language with respect to the loans made to tobacco cooperatives which, in turn, make price support advances to the tobacco growers?

Mr. RUSSELL. None whatever. From the beginning, in the Senate committee, we have excluded them, as legal entities, from the operation of any of these limitations.

Mr. COOPER. The language which has been interpreted during the debate has nothing to do with tobacco pools or marketing cooperatives?

Mr. RUSSELL. It has nothing to do with the authority of the cooperatives.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KEATING. What would be the limitation on a farmer who had not raised the particular crop in the preceding year? Would he be able to obtain as large a loan as he desired?

Mr. RUSSELL. If he did not have an allotment for the previous year, he could not have grown the crop.

Mr. KEATING. He must have an allotment?

Mr. RUSSELL. I cannot say that that would be true with respect to every one of these commodities, but it would apply to those declared by the Secretary to be in surplus supply. It would apply to corn, wheat, and cotton, and they are the commodities on which a large percent of the loans have already been extended.

Mr. KEATING. That leads up to the next question. Let us leave out of consideration the weather or the availability of the land for crops. As I understand it, if a farmer raised less than 20 percent—or such amount as the Secretary of Agriculture might fix—less this year than last year, could he get an unlimited loan?

Mr. RUSSELL. That is correct.

Mr. KEATING. The word "production" is a good word, rather than "acreage."

Mr. RUSSELL. Yes. I venture to say that this provision would be used sparingly by producers. It applies only to those who produce above \$50,000 worth. The great farm factories are not going to cut production back in order to obtain these loans.

Mr. KEATING. Suppose a corporate farmer reduced his production 20 percent, and thereby was eligible to borrow \$1 million and then planted 20 percent of the land which he did not put into cotton in peanuts, rice, tobacco, or some other crop. What would stop him from getting an unlimited loan on those commodities?

Mr. RUSSELL. The three commodities the Senator has named are all under very strict quotas. Land which has an acreage quota of tobacco or rice is worth five or six times more than similar acreage alongside it. The farmer could not plant it to any of the crops named. Those commodities are under strict quotas.

Mr. YOUNG of North Dakota. With the exception of wheat. Anyone can plant wheat up to 15 acres.

Mr. KEATING. Let us shift the question to wheat.

Mr. RUSSELL. I think the Secretary of Agriculture would issue some regulations which would control that situation. We have some legislation now with respect to all the commodities that are under supports. The Senator from North Dakota is a member of the standing Committee on Agriculture and Forestry. Some time ago the Senate passed a bill which would have prevented a man from reducing his acreage in corn and planting it to sorghum, rye, or oats. Did that bill ever become a law?

Mr. YOUNG of North Dakota. Not to my knowledge. There is no requirement for cross-compliance now.

Mr. KEATING. Under this amendment, as I read it, the Secretary of Agriculture could only issue regulations prescribing rules within the four walls of this legislation.

Mr. RUSSELL. I think that is correct.

Mr. KEATING. Is it the interpretation of the distinguished Senator from Georgia that the Secretary of Agriculture would have authority, under the present amendment, to issue regulations which would prevent the use of the land taken out in order to reach the 20 percent figure, for the purpose of getting a big loan on that land?

Mr. RUSSELL. I am confident that the Secretary would have authority to limit a person with respect to any commodity which was under quota, but I do not believe a farmer could be denied the right to plant the other 20 percent of his land to some other commodity.

The Senator understands that only certain commodities are under quotas. I think that if a farmer, under that provision, were to take 500 acres out of production, he could plant it to alfalfa or hay, or he could plant up to 15 acres to wheat if he had not already planted any wheat. He could not plant it in tobacco or rice or any of the other quota crops. He could plant it to some other commodity for sale.

Mr. KEATING. Of course, the land should be made useful. There would be no objection in planting it in crops he could sell. But the Senator is clear in his own mind, is he—

Mr. RUSSELL. I am clear in my own mind that the Secretary of Agriculture would have the authority to prevent him from planting the land to any commodity which is now under quota.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WILLIAMS of Delaware. To get back to the question of limitations on loans, let us assume that a farmer forms

a corporation, then elects not to cut back 20 percent but to plant the whole quota. Under paragraph (b) he is eligible, then, for any amount of loans—a million dollars or whatever it may be—on each and every commodity subject only, as I understand it, to the promise that he will agree at the end of the year to pay his loan down to \$50,000 limitation.

Mr. RUSSELL. I think that is correct.

Mr. WILLIAMS of Delaware. My question is this: Suppose this operator who is producing around a million or a million and a half dollars of wheat or cotton a year forms this corporation with practically no assets. The corporation produces a million or a million and a half dollars' worth of cotton. It borrows the money but at the end of the year is in default on the loan due to the fact that the price of cotton is lower than the support price. That is all the Government could collect, is it not?

Mr. RUSSELL. I think the Senator from Delaware has suggested a set of facts which are very highly unlikely to occur.

Mr. WILLIAMS of Delaware. I am using that as a hypothetical case.

Mr. RUSSELL. In the event that happened, I am not certain that the Secretary of Agriculture would not have the authority, provided under subsection 4, to deny the loan.

Mr. WILLIAMS of Delaware. But suppose the loan had already been made. At the time the loan was made the Department would not know that it was not going to be paid off.

Suppose the loan had been made at the full support price. The farmer now has a million-and-a-half-dollar loan. When it comes time to pay off the loan the market price of the commodity is about half the value. He forfeits the loan, and the Government takes the crops—wheat or corn. Is that not about all the Government could get?

Mr. RUSSELL. It all depends on what commodities the man has. The Senator talks about a million and a half dollars worth of commodities, as though they were scattered all over the country. I do not know how many there are.

Mr. YOUNG of North Dakota. We do not have a single producer of that kind in North Dakota.

Mr. RUSSELL. I do not know of one in my State whose production comes anywhere near a million and a half dollars.

Mr. WILLIAMS of Delaware. But there are such corporations. Loans of this size have been made in the past. Suppose the farmer places his operations under corporation X. He would still be eligible under this provision for the full loan provided he agreed to pay back all but \$50,000. But the agreement to pay it back would be by the corporation.

Mr. RUSSELL. One of the first things my instructors tried to teach me in law school was that if anything was connected with fraud, everything relating to it was tainted with fraud and was to be avoided.

If there were a borrower of a million and a half dollars, I am sure the people

would be talking about him, not only in the county where he lived but in the 8 adjoining counties. I do not believe he could possibly get in under the loan program.

Mr. WILLIAMS of Delaware. I am not an attorney. I am asking this question for information. As I understand, there would not be any question of fraud if a farmer at the beginning of the crop year formed a corporation and placed all his farm operations under that corporation, then raised his crops putting them under a Government loan with the Government accepting these crops as collateral. I do not see how that could be a case of fraud.

Mr. RUSSELL. What would the farmer produce?

Mr. WILLIAMS of Delaware. Assume he just leased the land.

Mr. RUSSELL. It may be. I do not contend that in the 4 days we spent in conference on the bill we have drawn a provision which will completely eliminate any possibility that some criminal might not attempt to defraud the Government.

Mr. WILLIAMS of Delaware. Is it the interpretation of the Senator from Georgia that such an operation would be criminal?

Mr. RUSSELL. Yes; in my opinion it would be. If a man, with knowledge of the law, simply unloaded on the Government without having any assets, it would, in my opinion, be criminal.

Mr. WILLIAMS of Delaware. If his assets are the crops he produces, and if the Government makes a loan and accepts as collateral those assets—

Mr. RUSSELL. That might be, but a farmer does not produce a million and a half dollars worth of any commodity today without having a great many assets. He has to have assets to be able to borrow money with which to buy fertilizer. He has to have assets somewhere with which to buy tractors, plows, and harvesting machines.

A fly-by-nighter who intends to con-
nive and lease a little land here and there and then attempt to get a million-and-a-half-dollar loan will have to have a large sum of money with which to do it. Then he will have to get rid of all the tractors, on every one of which the Government could get an attachment. The leasehold itself would be liable to a judgment.

While as a matter of theory the Senator from Delaware is correct; as a practical matter it would be impossible to produce a million and a half dollars worth of agricultural commodities and have nothing else but the shirt and breeches he travels with.

He could have the assets in his own name and lease them to the corporation.

When I was a lawyer—I managed to make a living as a lawyer for about 11 years before I was elected Governor of my State—we often heard of instances where a man borrowed money and then tried to transfer his property to his wife or someone else. We used to institute lawsuits to set aside those conveyances.

Mr. WILLIAMS of Delaware. That is what I am trying to get in the Record.

I am not sure that we have here an effective limitation.

Mr. RUSSELL. A man having no assets to start with could not lease the land. He could not pick up all the choice farmlands and under the lease produce a million and a half dollars' worth of commodities. He would have to be a well known, substantial citizen of the community. He would have to have substantial assets and have the money with which to lease the land. He would have to have money with which to buy tractors and trucks. I hesitate to say how many thousands of dollars worth of farm machinery he would have to have in order to produce a million and a half dollars' worth of commodities.

Perhaps theoretically the Senator from Delaware is correct; as a matter of practice, what he suggests is impossible.

Mr. WILLIAMS of Delaware. I have one more question relating to loans made under section (b). The Government is taking collateral, and the farmer agrees to pay back all but \$50,000. As the Government makes loans, will it be acting under the terms of existing law with this repayment clause?

Mr. RUSSELL. I think it would have to rewrite completely the indenture or the instrument which the farmer signs.

Mr. WILLIAMS of Delaware. I appreciate that. As I understand the existing law, loans are made on some commodities whereby at the end of the year if the Government takes them over for payment there is no interest charged. Would interest be charged on loans made under the terms of the conference report?

Mr. RUSSELL. Unquestionably the Government would have the authority to charge interest.

Mr. WILLIAMS of Delaware. Would interest be charged in all cases, regardless of the crop produced?

Mr. RUSSELL. Beyond the maturity of the loan, undoubtedly; not on the \$50,000.

Mr. WILLIAMS of Delaware. On anything in excess of \$50,000?

Mr. RUSSELL. Yes.

Mr. WILLIAMS of Delaware. Is it the intent of the committee that interest shall be charged on all these loans regardless of the commodities and regardless of how the transaction is treated under existing law?

Mr. RUSSELL. I do not think there is any question that in the average enterprise interest is charged, but as nonrecourse. Interest is charged, but there is no recourse. Under the existing law, interest may still accumulate, but not on the \$50,000.

Mr. WILLIAMS of Delaware. The reason I asked the question is that that point was not clear to the Agriculture Department. In that connection, Mr. Morse made this statement:

The limitation would not apply to any person who agrees to repay advances in excess of \$50,000 within 12 months or other later time determined by the Secretary. No express provision is made for interest on such amount, and it is uncertain whether it is intended that interest is to be charged on the excess over \$50,000.

Mr. RUSSELL. I should think that interest would be charged.

Mr. WILLIAMS of Delaware. So it is clearly the intent of the conference committee that interest would be charged.

Mr. RUSSELL. I am giving only my opinion as to intent, because that matter was not discussed in the conference.

Mr. WILLIAMS of Delaware. What rate would be charged?

Mr. RUSSELL. Whatever the going rate is, as charged by the Department.

Mr. WILLIAMS of Delaware. Whatever is the normal rate?

Mr. RUSSELL. Whatever the going rate is today.

Mr. YOUNG of North Dakota. I do not believe the Federal Government makes a loan to any individual without interest. There is no precedent for such action.

Mr. RUSSELL. I had never heard of its being done.

Mr. WILLIAMS of Delaware. The Government does make loans without interest. Does not the Government as to some commodities at the expiration date take the crop as full payment not only for the original loan but for the accumulation of all interest?

Mr. YOUNG of North Dakota. That is on recourse loans.

Mr. RUSSELL. But suppose the price of a commodity goes up and the farmer redeems his property and sells it on the market, as was done time and time again before the present administration controlled the Department of Agriculture. He paid the interest and carrying charges on the commodity while it was under loan.

Mr. AIKEN. Mr. President, will the Senator from Georgia yield to me?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Georgia yield to the Senator from Vermont?

Mr. RUSSELL. I yield.

Mr. AIKEN. I am not sure that the point which was raised a short time ago in my colloquy with the Senator from Georgia was entirely cleared up.

I should like to read the paragraph of the conference report which is in question, and then I wish to ask the Senator from Georgia another question.

I now read subdivision (3) of the conference report:

(3) That in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such products to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons—

And now we come to the language which appears to be in controversy; it follows the comma after the word "persons"—

but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation.

Is it correct to assume that the last proviso applies to members of a cooperative for whom the cooperative marketing organization acts as agent, and is

not intended to apply to members of a cooperative who deliver their product to the cooperative plant, where it is commingled with similar products from possibly 1,000 other producers and then is processed and sold to the Commodity Credit Corporation or sold on the open market or a loan is made upon it.

Mr. RUSSELL. The Senator from Vermont has stated the purposes we had in the amendment better than I could have stated them. The latter part of the language he has read was inserted because of the existence, for instance, of the great cotton cooperatives. Thousands of farmers are members of one cotton cooperative. That would mean that no one farmer could get more than \$50,000 worth of a nonrecourse loan, by handling the cotton through the cooperative. The cooperative handles all of it.

Mr. AIKEN. Or in the case of dairy products.

Mr. RUSSELL. As I see it, it does not apply to the purchasers at all.

Mr. AIKEN. It is not intended to apply to members of the dairy cooperatives, as to whom it will be impossible to determine the amount of support they had received.

Mr. RUSSELL. To my mind, it was primarily directed to the loan programs which are dealt with in paragraph (1).

Mr. AIKEN. That is my understanding. Nevertheless, that final part of the paragraph is what raised the issue.

Let me sum up the matter in this way: The limitation of \$50,000 in the case of any person who is a member of a cooperative is intended to apply when the cooperative acts as agent for that member, and is not intended to apply when the member delivers his milk which is commingled with the products of other members of the cooperative, and is processed, and when the processed product is supported by the Commodity Credit Corporation, either through purchases or through loans; is that correct?

Mr. RUSSELL. In answer I point out that the language "loan to, or purchase from, a cooperative marketing organization" and the subsequent words "such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation," appear identically, verbatim, in the original Senate amendment. The other language was incorporated to remedy the defects which were pointed out by the Senator from Vermont just before the passage of the agricultural appropriation bill, by the Senate, and in an effort to protect the existing price support program on dairy products, meats, and other commodities that have been handled through supports.

Mr. AIKEN. I do not see how there can be any misinterpretation of the intent of the Congress.

Mr. RUSSELL. Neither do I.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. Does the Senator from Georgia feel that the term "marketing organization" would apply to a pool arrangement, such as that by means of which the wool producers pool their wool on the market, through their organization?

Mr. RUSSELL. I think it would apply to any association of growers or producers. But of course wool is not in surplus supply, and is not covered by this provision.

Mr. YOUNG of North Dakota. But in the case of any commodity which was—

Mr. RUSSELL. Yes; any association of such commodity producers in a pool would be covered.

Mr. MUNDT. Mr. President, let me say that in the case of this provision, I think we are arriving at something.

Mr. STENNIS. Mr. President, will the Senator from Georgia yield to me, in order that I may make a one-sentence statement, either now or later on?

Mr. RUSSELL. First, Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 16, 26, and 30.

The PRESIDING OFFICER. The question now is on agreeing to the conference report.

Mr. RUSSELL. I thought the conference report had already been agreed to earlier. These amendments are not included in the report.

Mr. HUMPHREY. Mr. President, I wish to ask a question about the item which relates to funds for the humane slaughter program. Is that item included in the conference report?

Mr. RUSSELL. It is.

Mr. HUMPHREY. Then, Mr. President, before the conference report is agreed to, I should like to have some information about that item.

As I understand it, the report allows only \$100,000 for research on the various types of slaughtering methods which are classified as humane.

Mr. RUSSELL. The \$100,000 item to which the Senator from Minnesota refers caused more difficulty than any million-dollar item in the bill.

The conference report includes a provision to which the Senate conferees finally were compelled to agree. The conferees felt that the Department should make a determination with the present staff as to the various types of slaughtering methods which qualify as humane. The additional \$100,000 would be used for research and the preparation of plants for adaptation to such methods and devices to the needs of smaller slaughtering establishments.

Let me say to the Senator from Minnesota that the House conferees took the position that the larger packers were able to use, and knew all about, the different methods available now; and the House conferees did not propose to allow one thin dime for the benefit of the larger packers. But as a result of unusual exertions by some of the Sen-

ate members of the conference committee—I refer to the Senator from South Dakota [Mr. MUNDT], the Senator from North Dakota [Mr. YOUNG], and the Senator from Louisiana [Mr. ELLENDER]—the conferees finally did allow this \$100,000 for the dissemination of information and for research into methods of slaughtering, for the benefit of the smaller packers.

Mr. HUMPHREY. Although I recognize that the larger packers might very well engage in research on these methods of slaughter, some of them do not. Furthermore, the legislation which was passed directed the administration, with the cooperation of the Congress, to do this research. It had been indicated that possibly some of it could be done at the research facilities at Ames, Iowa, at the Iowa State College.

Mr. RUSSELL. But the Department does not wish to do it there.

Mr. HUMPHREY. Yes; I have received from the Department a letter signed by Assistant Secretary E. L. Peterson, in response to my letter to Mr. Peterson of May 20, in which I referred to the possibility of locating the humane slaughter research at the new animal disease laboratory at Ames, Iowa. Mr. Peterson properly pointed out that the purpose of the animal disease laboratory is to provide facilities for disease research, and that the facilities are not designed for the kind of research which would be required in the case of slaughtering practices. He also noted that the Agricultural Research Service is conducting studies on meat quality at the agricultural research center at Beltsville, Md., and that the facilities used for those studies, with some modification, could also be used for research on humane slaughtering methods.

Mr. RUSSELL. I regret to advise the Senator from Minnesota that no funds are included for construction of facilities at the Beltsville research station.

Mr. HUMPHREY. I see what the conferees have done. I simply protest it.

Mr. RUSSELL. I say to the Senator from Minnesota that he can protest it freely here. We protested it in the conference; and we came from the conference with the very best we were able to secure.

Mr. MUNDT. In fact, it was not until we had had two or three complete break-ups of the conference that the House conferees were willing to go this far.

Mr. RUSSELL. That is correct.

Mr. MUNDT. I think it was only the insistence of the Senator from South Dakota that persuaded the House conferees that humane slaughtering methods are available now and can be utilized by the smaller slaughterers, if they are able to employ the methods used by some of the larger slaughterers at this time.

So they would at least be willing to provide \$100,000 in the bill to give an opportunity to do research into adopting the methods used by Hormel and other big slaughterhouses.

I do not think the Senator from Minnesota would object to our solicitude for the small slaughtering plants, because they have problems different from those

of the large plants. The large plants can do their own research. They can finance their own experimentation. A small plant does not have such facilities. So I think we drove a pretty good bargain in getting \$100,000. Also, I think we drove a pretty good bargain in getting it devoted to the particular problem which confronts us. The problem is, How can the small packing and slaughtering house comply with the law and still stay in business? We want to meet that problem.

Mr. RUSSELL. I may say I did not favor the Humane Slaughter Act, but I felt under an obligation in the conference to make a strong effort to retain the Senate provision for funds. The conference was exceedingly difficult. For two or three meetings the House conferees said they would not yield in any way, shape, or manner.

Mr. HUMPHREY. I thank the conferees for their diligence and perseverance. I heard it was a difficult series of meetings. I only say the budget had a request of \$250,000, and the Bureau of the Budget is not, during this day and age, known for its overly large requests in terms of expenditures. The Senate adopted a \$200,000 appropriation, with some of the funds to be used at Ames. I think the decision not to use the Ames facilities was probably a sound one.

Mr. RUSSELL. I agree. At the time we wrote that language into the bill, that matter had not been fully considered.

Mr. HUMPHREY. I am grateful there is a provision of \$100,000 for research, which will be of assistance to the small packers. I think the time will come when it will be realized that the Beltsville facility will have to be modified or something else done. I want the record clear that, once having adopted humane slaughter legislation, and by a very substantial vote, we have an obligation to make it work, because we imposed some severe restrictions on the packers. Therefore, there is an obligation to fulfill our part of the bargain.

Mr. RUSSELL. I am well aware of that. As a member of the Appropriations Committee I assisted in placing the amount in this appropriation bill. Previously I assisted in putting this in the supplemental appropriation bill but we were not finally able to bring back an appropriation for the item. Even though this amount is less than half of the original sum proposed, in the light of the experience we had on the supplemental bill, I was very much gratified we were able to get the work underway at all.

Mr. HUMPHREY. If it is agreeable to the distinguished chairman of the subcommittee, I ask unanimous consent to have printed at this point in the RECORD a letter I received from E. L. Peterson, relating to the humane slaughter appropriation, and also a letter I received from the outstanding veterinarian scientist, Dr. Ralph L. Kitchell, who directs my attention to some of the limitations of the facilities and also what might be done with a broadened program.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 17, 1959.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: Thank you for your letter of May 20, 1959, concerning the possibility of locating humane slaughter research at the new Animal Disease Laboratory at Ames, Iowa. We appreciate your suggestion, and are pleased to discuss it with you.

The purpose of the Animal Disease Laboratory under construction at Ames is to provide facilities for disease research. Such facilities will not be suitable for studies of slaughter operations. Facilities for disease studies require careful protection against contamination. The laboratory will have definite restrictions that animals cannot be brought in except under controlled conditions necessary for the disease studies. The animals used for the disease studies cannot be used for studies of humane slaughter methods and their effects on meat quality since the diseased animals would not be normal animals. Therefore, it is not feasible to do humane slaughter research at the Ames laboratory.

The Agricultural Research Service is conducting studies on meat quality at the Agricultural Research Center, Beltsville, Md. The facilities used for these studies, with some modification, could also be used for research on humane slaughter methods and could be made available for such research at less cost than at any another location.

In fiscal year 1959, the Agricultural Research Service has made a survey of existing information and has initiated limited studies on humane slaughter methods. Mainly, these studies have been directed at mechanical and electrical stunning instruments and accompanying physiological responses in the animal and effects on the carcass and meat. A request for \$100,000 in supplemental funds for research on humane slaughter methods for fiscal year 1959 was submitted to Congress, but was not approved. The 1960 budget estimates include an increase of \$250,000 for research on humane slaughter methods. The House deleted this item, the Senate approved it in the amount of \$200,000, and the bill is now in conference.

Your interest in this research is appreciated.

Sincerely yours,

E. L. PETERSON,
Assistant Secretary.

ST. PAUL, MINN., June 5, 1959.

Hon. HUBERT HUMPHREY,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: On September 17, 1956, you were kind enough to forward to me two copies of correspondence (see enclosures) which you wrote in my behalf. I am writing this letter to solicit your further assistance relative to my interest in doing additional research on improving slaughtering procedures.

It is my understanding that the Senate has before it a bill which grants additional funds for research in this area. I also understand that there is a stipulation to the bill that the work should be done at the new research laboratory (Federal) at Ames, Iowa. This, I believe, would make it impossible for any of these funds to be used by university scientists, like myself. I believe this stipulation to be against the best interests of proponents of humane slaughtering. I base this belief on my 8 years of experience in this field. I do not believe there is anyone at Ames who is qualified to direct or perform research in this highly technical field. They do not seem to be equipped to do such research either.

I think it is important to get these funds in the hands of people who are interested in

humane slaughter, who have an active research program in progress, and who have the necessary technical background to make the best possible use of the funds. I am not going to state that I should be the one to receive some of these funds. Someone else will have to judge this point. I feel that it is basically wrong to put provisions in a bill which would direct funds to disinterested and nonqualified personnel and exclude from consideration the people who are interested and better qualified. I can speak from experience that there are at least three State-supported research units, in addition to ours, which would be excluded from consideration as the bill now stands.

I am sure you share with me concern relative to the humane slaughter program. I am grateful to you for your interest in the past and am confident that whichever course of action you may take will be taken conscientiously as you see the facts which are presented to you.

Thank you for your consideration.

RALPH L. KITCHELL, D.U.M., Ph. D.

Mr. HUMPHREY. Mr. President, I also note that there are university facilities which can be used, under contract, to aid the Department of Agriculture in the fulfillment of the research obligation part of the Humane Slaughter Act.

May I ask the Senator one final question in reference to the meat inspection item? Am I correctly informed that the sum of money which the Senate authorized for meat inspection was the final sum which was included in the bill?

Mr. RUSSELL. That is correct. We managed to sustain the position of the Senate.

Mr. HUMPHREY. And that the language relating to the school lunch program, making possible the purchase of proteins and red meat, is made a part of the conference report?

Mr. RUSSELL. That is the intention of the conference report and by the change of the language made in conference.

Mr. HUMPHREY. So that would mean food for school lunches could be supplemented outside the realm of the Commodity Credit Corporation?

Mr. RUSSELL. Yes; under section 6 of the school lunch program, which has nothing to do with section 32 purchases.

Mr. HUMPHREY. I thank the Senator. Those are fine and helpful provisions.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Washington.

Mr. MAGNUSON. I should like to ask the Senator about a vegetable which is grown by farmers in my section of the country, namely, peas. Other vegetables are also grown there. I understand the provision of the Senate relating to research was not agreed to by the House.

Mr. RUSSELL. It was not. The Senate had provided \$200,000 for research into vegetable seed and production. As I recall, \$20,000 was to be used for the item which the Senator had in mind. The Senator from Washington had been very active in that matter, and the Senator from Idaho had likewise supported it. The Senate was compelled to yield on the amount of money contained in the item of \$200,000, due to the very large sum already in the bill for

research work on vegetables. We did not yield with any idea that the Department would be deterred from doing the work which was necessary to be done, but we were compelled to retreat on the \$200,000 item.

Mr. MAGNUSON. That would in no way be construed as meaning that the Department would not be justified in going ahead?

Mr. RUSSELL. Not at all. The showing which was made in the course of the hearings would indicate to me the Department would be fully justified in directing its attention to the research matter to which the Senator from Washington has referred.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. COOPER. I know the Senator has discussed this particular item. I refer to amendment No. 16, which appears on page 6 of the conference report, relating to the school lunch program. As I understand, the item provides that \$43 million shall be transferred to this appropriation from section 32 funds, and that the Secretary is directed to supply a balanced diet to schoolchildren under the school lunch program, so far as is possible, from these funds.

Mr. RUSSELL. That is set forth in the report of the conference.

Mr. COOPER. And if foods such as red meats and other high protein foods are not in surplus, the Secretary is nevertheless directed to buy those foods for the school lunch program, where they are needed to provide balanced diets for schoolchildren. Is that correct?

Mr. RUSSELL. The language of the conference report is as follows:

The conferees direct that the full amount of these transferred funds be used to purchase foods necessary to provide balanced diets for the schoolchildren. In making such purchases, attention should be given to the needs of the schools for red meats and other high protein foods. As far as possible, foods in surplus supply should be given priority. The necessary foods should be supplied from these funds, however, regardless of whether or not they are determined by the Secretary to be in surplus supply.

Mr. COOPER. The reason I asked the question is that there was such a restriction last year.

Mr. RUSSELL. We adopted language last year that such additional funds shall be used for the school lunch program, and the Department seized on that language to limit its purchases to surplus commodities, but we have eliminated that language this year.

Mr. COOPER. I raised this question because of my effort to get the Secretary to buy these foods for the program in eastern Kentucky. I recognize that such foods can be bought for the school lunch program.

Mr. RUSSELL. The Secretary has ample authority.

Mr. COOPER. He has not used it. The Secretary has stated he believed he did not have such authority under the law, as long as there was a possible market for the surplus food.

Mr. RUSSELL. I do not believe that is correct.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Texas.

Mr. YARBOROUGH. I want to express my personal commendation to the managers on the part of the Senate for the ability and diligence which they have displayed in the conference with the House, particularly in connection with the school lunch program and the effort to get a balanced diet to as many schoolchildren as possible.

I have an inquiry to propound to the Senator from Georgia concerning the watershed protection by the Soil Conservation Service. Reference has been made in our area of the country that the Bureau of the Budget has put into effect an artificial limitation—I say it is artificial since it has not been approved by the Congress—on the number of new starts.

In my State, for example, with about a million dollars to spend, the Bureau of the Budget has imposed a limitation of not over four new starts in a year. It was represented to me by the Soil Conservation authorities that instead of having four new starts at \$250,000 a year they could spread the money out and get more done if they had 10 new starts at \$100,000 a year, though it would not require the expenditure of more money.

My inquiry of the distinguished Senator from Georgia is this: Do I understand correctly that the conferees have not expressed their approval of this artificial limitation by the Bureau of the Budget.

Mr. RUSSELL. No, we did not express any approval of it. By implication, we expressed our disapproval of it by providing for the appropriation of more money than the Budget Bureau allowed for this particular item.

Mr. YARBOROUGH. I simply wanted to clarify the point that the conferees had not approved the Bureau of the Budget's artificial limitation.

Mr. RUSSELL. We have not. Under the estimate of the Bureau of the Budget the appropriation would have been \$20 million. We provided for an appropriation of \$22,750,000.

Mr. YARBOROUGH. I thank the distinguished Senator from Georgia for the clarification.

Mr. RUSSELL. Mr. President, I move that the Senate agree to the conference report.

Mr. WILLIAMS of Delaware. Mr. President, I respect the position of the conferees in connection with this bill; however, I am fearful particularly of the provision in connection with the \$50,000 limitation. I do not feel it does the job properly.

In the colloquy earlier today, it was admitted that while the conference bill does provide a ceiling of \$50,000 for each agricultural commodity, it immediately proceeds to place two exemptions on the \$50,000 limitation.

One of the exemptions is that a person may agree to a reduction of not to exceed 20 percent of his production as prescribed by the Secretary. That reduction of production could conceivably

be as little as 1 percent. He would then not be bound by the limitation.

The second exemption provides that the person does not have to agree to any reduction at all, can plant his full quota, and get his full loan of a million dollars or whatever it may be, and all he has to do is put up the commodity as collateral for the loan with an agreement to pay back all but \$50,000. I think the net result of this language will be that many of the large loans will still be continued and the Government will be left holding the bag. I shall vote against the conference report. I cannot support this watered down version of the Senate's original intention.

In this connection, I ask unanimous consent that the letter from Mr. Morse dated today commenting upon the conference amendment be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 30, 1959.

Hon. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: As you requested by telephone this morning, we submit the following analysis of the provision in the conference report on the Department of Agriculture appropriation bill for 1960, regarding the \$50,000 limitation on price supports, which you sent to me; your copy is attached.

The provision would place a \$50,000 limitation on the amount of price support that could be made available to any person on the 1960 production of any single agricultural commodity, subject to the following qualification and exceptions:

(1) The limitation would only apply with respect to commodities determined in advance by the Secretary to be in surplus supply. This determination could not be made until after the 1959 crops are harvested and the production outlook for 1960 can be estimated.

(2) The limitation would not apply to a person who reduces his production of the surplus commodity below 1959 production by such percentage not to exceed 20 percent as the Secretary may determine to be required. While the provision is not clear, it is presumed the measure of reduction in production would be in terms of acreage for field crops and in units of quantity for all other commodities.

(3) The limitation would not apply to any person who agrees to repay advances in excess of \$50,000 within 12 months or other later time determined by the Secretary. No express provision is made for interest on such amount and it is uncertain whether it is intended that interest is to be charged on the excess over \$50,000.

(4) Where price support is extended by loans to or purchases from a cooperative marketing organization the limitation would not apply to the amount of price support received by the cooperative, but would apply to the amount of price support made available to any person through such cooperative.

Where price support is extended by purchases of a product of an agricultural commodity from "persons" other than a producer the limit does not apply to the purchases or loans to such person but does apply to the amount of price support extended to the producer through such "person." Presumably, this provision was inserted to facilitate the conduct of such programs as the dairy and cottonseed price support programs. It would have the opposite effect, since it would make it impossible to

operate such programs. It is impossible to determine the amount of price support that has been extended to any particular farmer with respect to dairy products or with respect to cottonseed through purchases of or loans to persons other than the producers of agricultural commodities. In this connection there is attached a copy of the hearings held by the appropriations committee on June 9, 1959 which contain on pages 31 and 32 the Secretary's letter of June 12, 1959 to Representative WHITTEN concerning this matter.

This hasty analysis is based on an unofficial report of the action of the Conference Committee. The suggestions of the Department with respect to this matter are contained in explanatory notes sent to the conferees. These are shown on pages 96 and 97 of the attached hearings.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. KEATING. Mr. President, will the distinguished Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. I share the apprehension the distinguished Senator has stated concerning the report. I respect, as does the Senator from Delaware, the hard work the conferees have put in, but I must join with my friend from Delaware in voting against the conference report.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The question is on agreeing to the conference report.

The report was agreed to.

Mr. RUSSELL. Mr. President, I ask that the amendments in disagreement be laid before the Senate.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7175, which was read as follows:

In the HOUSE OF REPRESENTATIVES, U.S.,
June 30, 1959.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 16 to the bill (H.R. 7175) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes," and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert "Provided further, That \$43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act."

That the House recede from its disagreement to the amendment of the Senate numbered 26, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "Provided further, That (1) no part of the funds authorized for 1960 may be used to enter into annual rental contracts for a period of time or at rates or in amounts which are in excess of limitations imposed by present regulations or announcements, (2) in establishing annual rental rates for new contracts, no such rental rate shall be established in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past five crop years including the current year, (3) in handling funds within any State, first

consideration shall be given to those applicants who were not offered contracts during the 1959 sign-up due to limitation of funds, and (4) in the allocation of funds and administration thereof, the Department shall not allocate funds on any basis not in accord with the purposes as set forth in the basic law".

That the House recede from its disagreement to the amendment of the Senate numbered 30, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "": *Provided further*, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 per centum, as the Secretary may determine to be essential to bring production in line within a reason-

able period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within 12 months from the date of the advance of such funds or at such later date as the Secretary may determine;

"(2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof;

"(3) That in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price

support received by such person for purposes of such limitation; and

"(4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision."

Mr. RUSSELL. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 16, 26, and 30.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a table showing a comparison between appropriations and authorizations for 1959, the estimates for 1960, and the amounts recommended by the House, by the Senate, and by the committee on conference.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative statement of appropriations for 1959 and estimates and amounts recommended in bill for 1960
REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1959 ¹	Budget estimates, 1960	Recommended by House for 1960	Amount recommended by Senate	Conference allowance, 1960
Agricultural Research Service:					
Salaries and expenses:					
Research.....	\$62,915,290	\$64,240,000	\$63,961,590	\$70,479,390	\$67,722,490
Plant and animal disease and pest control.....	52,934,000	49,110,000	48,340,600	51,050,600	49,800,600
Meat inspection.....	20,785,100	21,475,000	21,135,100	21,324,900	21,324,900
Total, salaries and expenses.....	136,634,390	134,825,000	133,437,290	142,854,890	138,847,990
State experiment stations:					
Payments to States and Puerto Rico.....	31,553,708	31,553,708	31,553,708	31,553,708	31,553,708
Penalty mail.....	250,000	250,000	250,000	250,000	250,000
Total, State experiment stations.....	31,803,708	31,803,708	31,803,708	31,803,708	31,803,708
Total, Agricultural Research Service.....	168,438,098	166,628,708	165,240,998	174,658,598	170,651,698
Extension Service:					
Payments to States and Puerto Rico.....	53,497,755	53,715,000	53,715,000	53,715,000	53,715,000
Retirement costs for Extension agents.....	5,479,375	5,674,375	5,674,375	5,674,375	5,674,375
Penalty mail.....	2,491,307	2,491,307	2,491,307	2,491,307	2,491,307
Federal Extension Service.....	2,250,640	2,258,795	2,242,540	2,242,540	2,242,540
Total, Extension Service.....	63,719,077	64,139,477	64,123,222	64,123,222	64,123,222
Farmer Cooperative Service:	617,900	620,000	615,800	615,800	615,800
Soil Conservation Service:					
Conservation operations.....	80,882,800	81,072,000	82,322,000	82,322,000	82,322,000
Watershed protection.....	25,500,000	20,000,000	25,500,000	20,000,000	22,750,000
Flood prevention.....	18,000,000	15,000,000	18,000,000	15,000,000	18,000,000
Water conservation and utilization projects.....	335,000	75,000	75,000	75,000	75,000
Great Plains conservation program.....	10,000,000	12,500,000	7,500,000	10,000,000	10,000,000
Total, Soil Conservation Service.....	134,717,800	128,647,000	133,397,000	127,397,000	133,147,000
Agricultural conservation program:	235,000,000	241,500,000	241,500,000	241,500,000	241,500,000
Agricultural Marketing Service:					
Marketing research and service:					
Marketing research and agricultural estimates.....	15,371,100	15,437,000	15,044,500	15,514,100	15,344,500
Marketing services.....	22,595,600	26,623,000	24,862,600	26,426,600	26,072,600
Total, marketing research and services.....	37,966,700	42,060,000	39,907,100	41,940,700	41,417,100
Payments to States, Territories, and possessions.....	1,160,000	1,160,000	1,160,000	1,195,000	1,195,000
School-lunch program.....	110,000,000	100,000,000	110,000,000	110,000,000	110,000,000
Total, Agricultural Marketing Service.....	149,126,700	143,220,000	151,067,100	153,015,700	152,612,100
Foreign Agricultural Service:	4,234,320	4,268,300	3,518,300	3,668,000	3,518,300
Commodity Exchange Authority:	895,500	900,000	909,500	900,000	909,500
Soil bank programs:					
Conservation reserve.....	³ 176,764,593	360,370,000	310,000,000	340,000,000	335,000,000
Acreage reserve.....	609,450,000	⁴ 1,050,000			
Total, soil bank programs.....	786,214,593	361,420,000	310,000,000	340,000,000	335,000,000
Commodity Stabilization Service:					
Acreage allotments and marketing quotas.....	41,715,000	39,135,000	39,135,000	39,135,000	39,135,000
Sugar Act program.....	76,000,000	71,500,000	71,500,000	71,500,000	71,500,000
Total, Commodity Stabilization Service.....	117,715,000	110,635,000	110,635,000	110,635,000	110,635,000
Federal Crop Insurance Corporation: Operation and administrative expenses:	6,376,700	6,376,700	6,376,700	6,376,700	6,376,700
Rural Electrification Administration: Salaries and expenses:	9,601,300	9,632,000	9,632,000	9,632,000	9,632,000
Farmers Home Administration: Salaries and expenses:	31,189,500	31,300,000	30,300,000	31,189,500	30,744,750
Office of the General Counsel.....	3,208,750	3,310,500	3,115,300	3,208,750	3,162,025
Office of the Secretary.....	2,860,250	2,881,000	2,881,000	2,881,000	2,881,000
Office of Information.....	1,428,665	1,431,665	1,431,665	1,431,665	1,431,665
Library.....	831,500	932,600	900,000	900,000	900,000
Total, regular activities.....	1,716,175,653	1,277,842,950	1,235,643,685	1,272,252,935	1,267,840,760

Footnotes at end of tables.

Comparative statement of appropriations for 1959 and estimates and amounts recommended in bill for 1960—Continued
CORPORATIONS (TITLE II)

Agency and item	Appropriations, 1959 ¹	Budget esti- mates, 1960	Recommended by House for 1960	Amount recom- mended by Senate	Conference allowance, 1960
Federal Crop Insurance Corporation: Administrative and operating expenses.....	(\$2, 297, 000)	(\$2, 330, 000)	(\$2, 330, 000)	(\$2, 330, 000)	(\$2, 330, 000)
Commodity Credit Corporation:					
Restoration of capital impairment.....	1, 760, 399, 886	1, 535, 424, 413	1, 435, 424, 413	1, 435, 424, 413	1, 435, 424, 413
Administrative expense limitation.....	(\$39, 600, 000)	(45, 300, 000)	(39, 600, 000)	(42, 771, 000)	(42, 000, 000)
Total, Commodity Credit Corporation.....	1, 760, 399, 886	1, 535, 424, 413	1, 435, 424, 413	1, 435, 424, 413	1, 435, 424, 413
Reimbursements to Commodity Credit Corporation for special activities:					
International Wheat Agreement.....	80, 800, 000	63, 875, 000	63, 875, 000	63, 875, 000	63, 875, 000
Emergency famine relief.....	119, 270, 000	104, 508, 000	104, 508, 000	104, 508, 000	104, 508, 000
Sales for local currencies (Public Law 480).....	1, 033, 515, 000	968, 016, 000	968, 016, 000	968, 016, 000	968, 016, 000
Migratory waterfowl feed.....	18, 506	35, 000	35, 000	35, 000	35, 000
Bartered materials for stockpile.....	82, 250, 335	129, 000, 000	129, 000, 000	129, 000, 000	129, 000, 000
Animal disease eradication.....	19, 390, 100	1, 056, 500	1, 056, 500	1, 056, 500	1, 056, 500
Grading and classing activities.....	1, 510, 870	1, 607, 000	1, 607, 000	1, 607, 000	1, 607, 000
Total, reimbursements to CCC for special activities.....	1, 336, 754, 811	1, 268, 097, 500	1, 268, 097, 500	1, 268, 097, 500	1, 268, 097, 500
Total, Corporations.....	3, 097, 154, 697	2, 803, 521, 913	2, 703, 521, 913	2, 703, 521, 913	2, 703, 521, 913

RELATED AGENCIES (TITLE III)

Farm Credit Administration.....	(\$2, 125, 000)	(\$2, 125, 000)	(\$2, 125, 000)	(\$2, 125, 000)	(\$2, 125, 000)
Federal intermediate credit banks.....	(1, 693, 000)				
Total, related agencies.....	(3, 818, 000)	(2, 125, 000)	(2, 125, 000)	(2, 125, 500)	(2, 125, 000)
Total, titles I through III.....	¹ 4, 813, 330, 350	4, 081, 364, 863	3, 939, 165, 498	3, 975, 774, 848	3, 971, 362, 673

Loan authorizations

Rural Electrification Administration:					
Electrification.....	\$317, 000, 000	\$136, 000, 000	\$136, 000, 000	\$136, 000, 000	\$136, 000, 000
Telephone.....	67, 500, 000	79, 000, 000	79, 000, 000	79, 000, 000	79, 000, 000
Total, Rural Electrification Administration.....	384, 500, 000	215, 000, 000	215, 000, 000	215, 000, 000	215, 000, 000
Farmers Home Administration:					
Farm ownership.....	24, 000, 000	12, 000, 000	24, 000, 000	24, 000, 000	24, 000, 000
Farm operation (production and subsistence).....	180, 000, 000	160, 000, 000	180, 000, 000	180, 000, 000	180, 000, 000
Soil and water conservation.....	5, 500, 000	1, 000, 000	2, 000, 000	2, 000, 000	2, 000, 000
Total, Farmers Home Administration.....	209, 500, 000	173, 000, 000	206, 000, 000	206, 000, 000	206, 000, 000
Total, loan authorizations.....	594, 000, 000	388, 000, 000	421, 000, 000	421, 000, 000	421, 000, 000

Permanent authorizations

Agency and item	Authorizations, 1959	Estimates, 1960	Increase or decrease
Agricultural Research Service:			
Alterations and improvements, Animal Quarantine Station, Clifton, N.J.....	\$30, 000		—\$30, 000
Agricultural Marketing Service:			
Removal of surplus agricultural commodities.....	235, 936, 663	\$246, 000, 000	+10, 063, 337
Perishable Agricultural Commodities Act fund.....	675, 000	685, 000	+10, 000
Total, Agricultural Marketing Service.....	236, 611, 663	246, 685, 000	+10, 073, 337
Commodity Stabilization Service: National Wool Act.....	24, 453, 099	47, 630, 000	+23, 176, 901
Total, permanent authorizations.....	261, 094, 762	294, 315, 000	+33, 220, 238

¹ Includes all adjustments for pay act, penalty mail, and other costs covered in the Second Supplemental Appropriation Act, 1959.
² An appropriation of \$53,715,000 was provided for 1959. Amount reduced by transfers to other activities for pay increases and penalty mail costs as provided in Second Supplemental Appropriation Act, 1959.

³ An appropriation of \$200,000,000 was provided for 1959. Amount reduced by transfers for pay costs, penalty mail, and other costs as provided in Second Supplemental Appropriation Act, 1959.
⁴ Funds requested for liquidation merged with conservation reserve and \$600,000 approved by conferees.

CONSTRUCTION AT MILITARY INSTALLATIONS

The Senate resumed the consideration of the bill (H.R. 5674) to authorize certain construction at military installations, and for other purposes.

Mr. CASE of South Dakota. Mr. President, the pending business before the Senate is the military construction authorization bill.

Mr. STENNIS. Mr. President; will the Senator yield for an inquiry?

Mr. CASE of South Dakota. I yield to the chairman of the subcommittee.

Mr. STENNIS. Mr. President, there have been quite a few inquiries as to how much more debate there will be,

how many more amendments will be offered, and whether there will be a ye-and-nay vote on the passage of the bill. I think we should have a ye-and-nay vote on passage of the bill. I think the committee has agreed to ask for a ye-and-nay vote. I do not believe the amendments will require ye and nay votes; I believe they can be disposed of more simply.

The Senator from South Dakota has some very pertinent remarks to make. Perhaps we can finish the debate within an hour, or slightly more, if we have relevant comments.

Mr. President, will the Senator yield to me so that I may ask for the yeas and nays on passage of the bill?

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that I may yield to the Senator from Mississippi for the purpose of having the yeas and nays ordered, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota? The Chair hears none, and it is so ordered.

Mr. STENNIS. On the passage of the bill I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STENNIS. I thank the Senator.

Mr. CASE of South Dakota. Mr. President, the authorization bill for military construction, which is now the pending business—may not ordinarily be thought

of as a policy bill, but those who have worked with the bill through the years have come to realize that whether we planned it that way, desired it that way—

Mr. STENNIS. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. Conversations will be held in the cloakrooms.

Mr. STENNIS. Will the Presiding Officer insist on order, Mr. President?

The PRESIDING OFFICER. The Chair will insist on order. The Senate will be in order.

The Senator from South Dakota may proceed.

Mr. CASE of South Dakota. Mr. President, those who have worked through the years on this bill have learned, whether we wished it that way or willed it that way, that the authorization bill for military construction has become a policy bill.

The PRESIDING OFFICER. The Senator will suspend. The Senate will be in order.

The Senator from South Dakota may proceed.

Mr. CASE of South Dakota. That fact was never more evident than in respect to our work upon the particular bill now before the Senate. The bill is sizable in dollars, containing some \$1.2-billion-odd in authorizations, but it is far more important than the dollars when we came to consider the questions involved. As the bill came to us from the House of Representatives and as presented by the installations officers of the Defense Department it called for augmenting the authorization for the Nike-Hercules system and also for the Bomarc system. Both of these are terms which are applied to a defense missile system; the Nike-Hercules being the relatively short-range missile with a maximum effectiveness of 80 miles, and the Bomarc being a 200-mile defense system in its initial stage, the Bomarc-A, or up to 400 or 450 miles in the second generation, the Bomarc-B missile.

Consideration of those proposals led the committee, as has already been stated on the floor today, to propose that we deauthorize some prior authorizations for these defense weapons, and also refuse authorization for the new, until the Defense Department has come up with a review of its request. That resulted in bringing before the Armed Services Committee, and now before the Senate, two reports. One report deals with the items in the bill exclusive of the items for the defense missile systems. The second, or the supplementary report, deals with those.

During the early part of the debate we had considerable discussion of this matter, and I shall not go into any extended review of the bill or even of these systems, but I should like to emphasize a few points.

The bill is noteworthy not only for its treatment of the Nike-Hercules and Bomarc questions, but also for the curtailment of the hospital program, for the committee recommended that certain hospitals not be authorized and, further, that the Defense Department seek to

bring its estimates into line. We found too much variation between costs at hospitals recommended by one service and another service, and too much difference between hospital costs per bed in the service hospitals and costs per bed found in the civilian economy.

The bill is notable also for what it does in the field of military housing, particularly the so-called Capehart housing program, on which I shall say more a little later.

The bill is noteworthy also because it proposes to create authority for a Norad headquarters. Many Members of the Congress have visited the SAC headquarters at Offutt Air Force Base, Omaha, but few Members have visited the Norad headquarters, or the North American Air Defense Command headquarters, at Colorado Springs, Colo. Those who have visited the headquarters have been struck by the disparity between the facilities afforded for the Air Defense Command headquarters as compared with those afforded for SAC headquarters.

The bill is also noteworthy for what it does in regard to the reserve program. We have spelled out certain recommendations for National Guard armories, and I think we have set up some landmarks which will be helpful to every Member of Congress in answering inquiries he receives from his home State in this regard.

Mr. President, I should like to say a few words about the so-called master plan, the revised plan for the defense missiles systems, Nike-Hercules and Bomarc. Our committee report says:

In accepting the revised plan and amending the bill accordingly, the committee does so with some deference to the review that was made. However, the committee still has some reservations about the premises and philosophy employed in the plan.

At that point I should say that the Senator from South Dakota has some very definite reservations about the premises and philosophy employed in the plan.

I certainly agree with the following sentence in our committee report:

The committee questions whether too much reliance is being placed upon defense as compared to sharpening our offense with modernization of the Army, the fleet, or perhaps more emphasis on manned interceptors.

The report further states:

The committee expects the Secretary of Defense and the Joint Chiefs of Staff to again carefully review the proposed program before construction is begun on new sites.

To make certain that there would be further review, we wrote into the bill a new section, section 418, which requires the Secretary of Defense to make certain reviews, and in those reviews to give us the assurance that the Joint Chiefs of Staff are satisfied with certain aspects of the revised program.

It is my personal opinion that the committee was abundantly justified in accepting a plan which will save \$1,400,000,000 over the next several years, but we might have gone further, I think, and deauthorized some of the prior authorizations for certain defense weapon installations. The reason is this: No pro-

gram suggested to the committee proposed placing either Nike-Hercules or a Bomarc system in sufficient numbers to cover all the important targets in the United States. The result is that a relatively few points would have a point defense system. A few areas would have an area defense system, but there would be left unprotected a sufficient number of targets so that an incoming group of enemy bombers, if they did not want to strike at one of the defended systems could easily find an alternate target of almost equal attractiveness. That would simply mean that if we assume that either Nike-Hercules or Bomarc would be 100 percent effective—which, parenthetically, I say is a considerable assumption—or that they would be anywhere near 100 percent effective, there would be still left enough alternate targets so that an incoming bomber could find another target beyond the range of either of these defense systems.

That would mean that the major defense reliance, if we were to stop an incoming bomber, would have to go to the interceptors or fighters, which have considerably more range and much more flexibility. That is why I, for one, strongly emphasize the suggestion in the report that—

The committee questions whether too much reliance is being placed upon defense as compared to sharpening our offense with modernization of the Army, the fleet, and perhaps more emphasis on manned interceptors.

The opinion has been expressed by Senators on the floor of the Senate, and by others, that a good defense system is in itself a powerful deterrent. The Senator from South Dakota takes little comfort in any such hope. Personally, I do not believe that the Soviets, or any other possible adversary, would be too greatly concerned about what we might do if they once got bombers into the country. The capabilities which we are demonstrating with such techniques as the Hound Dog, in which a bomber carries piggyback a missile that can be launched several hundred miles from the target, means that the enemy bomber could stand off a considerable distance and lob in its missiles, beyond the range of the defense systems such as Nike-Hercules or Bomarc.

When I think of that situation, I am reminded of an actual occurrence in my State some years ago. A man was on trial for a particularly heinous or aggravated sort of crime. The prosecution was relying very heavily on the fact that some bloodhounds had been used to follow the trail right to the very door of the man who was accused of the crime.

The defense attorney placed on the stand the man who had the bloodhounds in charge and asked him how he could be sure that the bloodhounds had trailed the man to his own door. The man who had the bloodhounds testified that they had gone right to the door and placed their paws on the very door of the man who had been accused.

The defense attorney asked him, "Don't you know that this man has a wife and two lovely little girls? Weren't

House of Representatives

TUESDAY, JUNE 30, 1959

The House met at 12 o'clock noon:
The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Job 33:4: *The Spirit of God hath made me, and the breath of the Almighty hath given me life.*

O Thou who art the giver of life, may we enter upon the appointed task of this day renewed and refreshed in body and soul and with Thy spirit shedding its light and radiance upon our pathway.

Grant that we may not view the hours of this new day with apprehension and anxiety but with an awareness that they will afford us many opportunities to have a part in building a better and happier world.

We pray that when we are confronted by challenging situations we may not stand still in a confused and perplexed state of mind but go forward with confidence and courage for Thou wilt guide and guard us.

Show us how we may enlarge and expand our faith to new dimensions and make us more eager to accept and fulfill our responsibilities toward Thee and all mankind.

In Christ's name we offer our prayer.
Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carroll, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1368. An act to amend sections 503 and 504 of the Federal Aviation Act of 1958 to facilitate financing of new jet and turboprop aircraft.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 1 to the bill (H.R. 7176) entitled "An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes."

The message further announced that the Senate recedes from its amendment No. 2 to the above-entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7523) entitled "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates."

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1960

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PRESTON, ROONEY, CANNON, BOW, and TABER.

Mr. PRESTON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H.R. 7349.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

DEPARTMENT OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1960

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 29, 1959.)

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 16, line 24, strike out "Provided further, That, for additional payments to States in accordance with the National School Lunch Act for the purchase of food, \$43,657,248 shall be transferred to this appropriation from the funds available in the fiscal year 1959 under section 32 of the Act of August 24, 1935" and insert "Provided further, That \$43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 16, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "": *Provided further, That \$43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.*"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 19, line 25, strike out "": *Provided further, That no part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year.*"

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 26, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "": *Provided further, That (1) no part of the funds authorized for 1960 may be used to enter into annual rental contracts for a period of time or at rates or in amounts which are in excess of limitations imposed by present regulations or announcements, (2) in establishing annual rental rates for new contracts, no such rental rate shall be estab-*

lished in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past five crop years including the current year, (3) in handling funds within any State, first consideration shall be given to those applicants who were not offered contracts during the 1959 sign-up due to limitation of funds, and (4) in the allocation of funds and administration thereof, the Department shall not allocate funds on any basis not in accord with the purposes as set forth in the basic law."

Mr. ANDERSEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

(Mr. ANDERSEN of Minnesota asked and was given permission to extend his remarks at this point in the RECORD and to include tables.)

Mr. ANDERSEN of Minnesota. Mr. Speaker, we have spent several days in conference with the other body, and this conference report contains what I consider a most desirable compromise of most of the differences. We gave a great amount of thought to every item at issue, discussed each thoroughly, and I personally believe we have done the best job possible under the circumstances.

To recapitulate the whole measure, the budget estimates totaled \$4,081,364,856. In the earlier action the House approved a total of \$3,939,165,498, which was increased in the other body to \$3,975,774,848. These differences were adjusted in conference to a total figure of \$3,971,362,673, which represents a reduction of \$110,002,190 below the budget estimates.

In my judgment, some very worthwhile increases have been made in the items for research. I have often said that the money we spend for necessary basic research may, in the years ahead, prove to be the wisest investment we have ever made in our natural resources. For soil and water conservation there is an increase of \$1,235,900, which includes a sizable increase for the soil and water research laboratory now under construction at Morris, Minnesota. Among the several other increases for research is an item of \$1,100,000 for necessary research on insects affecting corn and other grains, and of special interest to my area is the fact that we have earmarked \$550,000 of this for the beginning of a research laboratory at the South Dakota State College at Brookings. This fine institution of higher learning is just a few miles from my hometown of Tyler, Minn., and our entire area will benefit from the research carried on at this new facility. In all, we have increased research funds a total of \$3,760,900.

Modest increases are also proposed for plant and animal disease and pest control. For the vital work on brucellosis eradication there is an increase of \$1,250,000, an additional \$100,000 for general control work, \$75,000 more for the soybean cyst nematode, and \$35,000 added for eradication of sheep scabies.

A good case was made for increased funds for meat inspection in the interests of consumers, and we approved an additional \$189,800 for that work. Another increase of \$1,150,000 was provided for

poultry inspection, together with some modest increases for marketing research and reports.

An additional \$444,750 is provided for the administration of the Farmers Home Administration. This organization is doing a very necessary credit job for farm people, and it is doing it efficiently. We are convinced that these added funds are necessary in the best interests of the proper administration of the loan program.

CONSERVATION ITEMS ADJUSTED

In addition to basic research, I consider our soil and water conservation work of vital importance to future generations. I have personally visited areas of the world which were once veritable Gardens of Eden but which are today desert wastelands because men years ago mined their soil and did nothing to preserve it for the future. Once you have looked from horizon to horizon and seen no living thing where once fertile fields had been, you can't help becoming a staunch advocate of conservation.

I have deplored the fact that Congress after Congress has harnessed generations yet unborn with burdens of public debt, but when it comes to the conservation of our soil and water resources I have no doubt that any mortgage we may make upon the future will be gladly paid. It seems to me that we, as custodians of our soil, have a moral obligation to leave it as good—if not better—for future custodians and we cannot possibly do that without effective conservation programs.

I regret that the only item in this report which reflects a decrease below the House figure is that for our watershed program. Although we found it necessary to recede \$2,750,000 below our figure, we still show a healthy amount of \$22,750,000 which, together with the carry-over, will doubtless meet the need for next fiscal year.

We also agreed upon a \$2½ million increase for the Great Plains conservation program which will see this work go forward during the coming year.

CONSERVATION RESERVE EXPANDED

In compromising the differences in the advance authorization for the conservation reserve, we have agreed upon the budget figure—\$375 million. This program, as everyone knows, has been very near to me and I have followed its development as closely as any other during my 21 years in Congress.

I was interested in the soil bank approach to our agricultural surplus problem long before the present program became law. I am still interested. I think the conservation reserve of the soil bank is the best approach presently available for reducing surpluses and conserving resources. I say this despite the fact that the administration of the program is not entirely as I would like to see it.

Contrary to some opinion and some press articles this program is helping farmers—the bona fide small farmers—who need help most. The fact that average annual payments average only a little over \$1,000, and the fact that a very small percent of the annual payments are as high as the limit of \$5,000 con-

vinces me that the small farmer is benefited. I am also convinced that the program is getting results—it is taking producing land out of production and getting it protected with grass, trees, and wildlife cover.

Available information also indicates that far too much emphasis has been placed on the few instances of recent purchasers of farms putting the cropland into the conservation reserve. The program should not be any more attractive to new owners than to the sellers—the same offer was available to the seller as to the buyer. The Department of Agriculture recently conducted a survey in Aroostook County, Maine, and found that of 124 farmers interviewed who had all or part of their cropland in the conservation reserve, ownership of the land exceeded 20 years. Certainly those farmers could not be classed as recent purchasers. I am sure that for the country as a whole a very small percentage of participating farms have recently changed hands.

The Maine survey also showed that for every dollar spent for annual payments, crops taken out of production had a value of \$8.53—at 1958 prices. That is a good record of accomplishment.

The time has come when the record on the conservation reserve must be set straight by facts. The press recently has given wide attention to incidents and situations, representing a few isolated cases, and the result is that many people are confused and ready to condemn the whole program.

Some of the recent attacks on the program include reports from Colorado and New Mexico in which cases are cited of farmers who rent State-owned land and place the land in the conservation reserve for a higher annual rental rate than the rental rate paid to the State. To me that means one thing—that the State leases State-owned land at a rate entirely out of line with its value. In addition, the land would be in production if it was not in the conservation reserve. As a general rule, I am sure that the conservation reserve annual payment rates are in line with the productive ability of the land. Certainly, three elected farmer-committeemen—taxpayers like the rest of us—can be depended upon to set a fair rate of payment for a program of this type. In addition, in many cases the State-owned land has been leased by the farmer for so many years that it has become a part of his farm for practical farming purposes.

State-owned land frequently has wheat or cotton acreage allotments assigned to it—so when the land is placed in the program the allotment crops on the land go out of production as do any other crops normally produced on that land. State-owned land that is cropped produces surplus crops the same as privately owned land in a farming unit. In most States the same numbered sections in each township were reserved as State lands. There was no picking and choosing—therefore, it is reasonable to assume that State-owned land is of average quality—despite the fact that the rental to the State is very low.

The cost to taxpayers on price support on wheat from average New Mexico cropland in 1958—which was a good crop year—would have been over \$50 an acre. Current price-support costs on wheat if applied to the long-time average yield of wheat of only 8.4 bushels per acre would amount to \$22.68 an acre—a cost about 2½ times the average conservation reserve annual payment rate for the State.

Colorado wheatland had a 1958 average wheat yield of 25.4 bushels—price-support cost on that yield would be about \$67.58 or on the long-time average State wheat yield of 15.7 bushels, the price support loss per acre per year would amount to \$42.39.

The facts on grain sorghums are similar: The Colorado 10-year average yield of 12.2 hundredweight per acre would cause a price-support cost to the Commodity Credit Corporation of \$21.83 an acre. For New Mexico grain sorghum on the same basis, the price-support cost would be \$24.55 an acre. With these facts there is only one logical conclusion: An average annual conservation reserve payment of about \$8 an acre in New Mexico and Colorado is a better buy than supporting the prices of the wheat or grain sorghum which we do not need.

Statements about the conservation reserve in a part of the Great Plains are incomplete without some facts about the regional land use benefits from the program. During this year, 1959, about 10.5 millions in that region either have been or will be planted to grass. The grass is being planted in areas where the acreage planted to grains was expanded as a result of the last war. That land has not been converted or restored to peacetime use. The program is helping do that conversion job. Farmers need help to do it just as wartime industry needed help to convert to peacetime operations.

The planting of forest trees in parts of our country that are adapted to tree planting is another trend in land use that is being speeded up as a result of the conservation reserve—outstanding progress has been made in the Southeastern States and in the States bordering the Great Lakes. The planting of trees in former forested areas in my State has made remarkable progress.

Many farmers who have been having difficulty because of uneconomic size units, health or age, are finding this program of benefit. They can put all their cropland in the program and continue to live on the farm. The land is out of production and the farmer can still live on the land.

I have assurances from the Department of Agriculture that steps are being taken to limit participation in areas and in counties because of the popularity of the program. Such limitation is needed to reduce the impact of the program on the local economy. An effective limitation will also spread participation and make more funds available in places where participation is not now extensive.

One other feature of the conservation reserve program which is worthy of mention is the contribution it is making to improved hunting and fishing. A survey made by the Fish and Wildlife Service in 1955 showed the proportion of people who hunt and fish in America make up a surprising large percent of the total.

For instance, this survey showed that one out of every three family units has at least one member who hunts or fishes. Twenty-one percent of all the people 12 years of age or over participated in the sport of hunting and fishing that year. The survey also showed that interest in this fine form of outdoor recreation is shared by people in urban as well as rural areas.

Supplying this army of hunters with places to hunt and game to pursue has become a nightmare for the State game and fish departments. In fact, until the advent of the conservation reserve program, the trend of the past 15 years has been a steady decline in wildlife populations as the Nation has urbanized and as agriculture has been intensified.

It is little wonder that the leaders in the conservation movement hailed the conservation reserve with its promise of diverting land from intensive use for crop production to one of several uses which could contribute to the welfare of wildlife. The Izaak Walton League, the National Wildlife Federation, the Wildlife Management Institute, the State game and fish departments, the International Association of Fish and Game and Conservation Commissioners all supported and continue to support the conservation reserve program.

Although in 1958 only 10 million acres had been placed in the conservation reserve, the wildlife populations in areas where 3 percent or more of the cropland had been placed in the reserve, showed immediate gains.

Sportsmen last fall reported better hunting on conservation reserve lands in such widely scattered States as Oklahoma, Georgia, Michigan, Ohio, Washington, Kansas, South Dakota, and Minnesota.

Game and fish departments reported increases in quail in Georgia, Carolinas, and Virginia in the east; in Oklahoma, Kansas, Texas, and Colorado in the South Central States. Rabbit increases have been reported in Missouri, Ohio, Pennsylvania and other States east of the Mississippi. In all of the areas where wildlife increases have been officially reported there has been substantial participation in the soil bank program.

Perhaps the most spectacular improvement has been in pheasant numbers in the upper Midwestern States of North Dakota, South Dakota, Nebraska, Iowa, and my own State of Minnesota. Here, there has been a substantial improvement of pheasant numbers that has been correlated with the percentage of land placed in the conservation reserve. Among 237 counties in the five States

for which records are available it has been found that the population of pheasants has increased between 1956 and 1958 by about 50 percent where less than 3 percent of the land has been placed in the reserve, and by about 120 percent where 5 percent or more of the land has been placed in the reserve.

Last fall, the Daily Plainsman, Huron, S. Dak.'s fine daily newspaper headlined the improved hunting with "Pheasants Plentiful on Soil Bank Land in Central South Dakota." The article then went on to say:

Pheasant hunting in South Dakota is the best this year that it has been for a long time. The bag limit was boosted to four a day from the three per day limit that has been in effect.

A number of factors have brought about the increase in pheasant population. A light winter last year coupled with a good amount of cover provided by much of the land being placed in the soil bank added greatly to the increase.

Hunters this year have had good luck "driving" the heavy growth on many of the soil bank acres. Farms with land in the soil bank also have a large number of birds in crop fields.

In the face of the results listed, it is not surprising that the wildlife conservation interests supported the conservation reserve program. My files contain much material documenting this support from States all over the country.

The strongest criticism of the conservation reserve is that it has not gone far enough. We may have been too cautious in our authorizations and in our appropriations. When the appropriation for the Department of Agriculture was approved by the House we authorized a 1960 program expenditure of \$325 million—enough to make the annual payments on existing contracts and accept about 2.3 million acres on new contracts—that is less than 800 acres per county—hardly worthwhile to go through the motions. Even an authorization of \$450 million would in some respects be inadequate since an authorization of that size will permit only about 8 million acres to participate in the program under new contracts.

Let us take a look at the accomplishments with 23 million acres in the program:

First. Farms on which all the cropland has been placed in the Reserve—commonly called whole-farm participation—account for taking out of production 1.8 million acres of wheat allotment; 439,000 acres of cotton allotment, and 70,000 acres of peanut, rice, and tobacco allotment—a total of 2.3 million acres.

Second. The Department of Agriculture estimates that the cost of price support for commodities normally grown on the 23 million acres in the program would be more than twice as much as the cost of the conservation reserve.

The following table shows the estimated savings by crops:

Comparison of (a) conservation reserve program costs with (b) estimated losses to Government which would have been incurred under price-support programs if acreages in conservation reserve had been devoted to normal uses and if all the applicable production from those acres had entered price support and (c) estimated total price-support acquisitions if all the applicable production from those acres had entered price support

[Figures in thousands]

Commodity	Unit	(a) Estimated reduction in production on conservation reserve acreage ¹					(b) Estimated Government price support losses for acquisitions ⁵					(c) Estimated Government price support acquisitions ⁶				
		1957 ²	1958 ²	1959 ³	1960 at \$325, 000,000 authori- zation ⁴	1960 at \$450, 000,000 authori- zation ⁴	1957	1958	1959	1960 at \$325, 000,000 authori- zation	1960 at \$450, 000,000 authori- zation	1957	1958	1959	1960 at \$325, 000,000 authori- zation	1960 at \$450, 000,000 authori- zation
Corn	Bushel	32,936	57,732	142,671	154,083	189,074	\$66,728	\$114,656	\$249,104	\$265,947	\$326,341	\$96,370	\$166,615	\$377,508	\$404,622	\$496,508
Wheat	do	9,399	17,845	45,002	48,602	59,639	27,163	48,360	121,506	129,282	158,640	40,040	72,808	183,159	195,867	240,345
Cotton, upland	Bale	69	146	378	408	501	2,175	6,371	14,925	15,293	18,779	10,239	23,434	59,102	62,976	77,331
Peanuts ⁶	Pound	27,051	57,668	103,786	112,088	137,542	1,696	3,379	5,086	4,932	6,052	3,049	6,262	10,275	10,536	12,929
Rice ⁶	Hundredweight	9	30	140	151	186	21	64	290	316	388	55	177	815	882	1,086
Oats	Bushel	37,676	71,470	123,780	133,681	164,039	28,935	54,889	81,448	87,961	107,938	47,019	89,195	140,862	152,128	186,677
Barley	do	9,825	17,912	36,178	39,072	47,945	16,093	28,981	52,748	56,967	69,904	22,283	40,266	75,540	81,582	100,109
Soybeans	do	3,712	6,750	18,389	19,860	24,370	2,739	4,982	9,158	7,904	9,700	9,532	17,335	42,810	44,248	54,297
Grain sorghum	Hundredweight	30,043	47,301	46,677	50,411	61,859	64,082	99,474	83,629	90,387	110,913	86,314	134,477	118,233	127,691	156,689
Flaxseed	Bushel	747	2,288	3,391	3,662	4,494	728	1,913	1,478	1,633	2,005	2,327	6,809	8,735	9,470	11,622
Beans, dry edible	Hundredweight	240	313	672	726	891	392	471	454	1,071	1,315	1,556	1,989	3,713	4,592	5,636
Tobacco	Pound	2,299	4,969	14,913	16,106	19,763	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Potatoes, Irish	Hundredweight	2,445	3,848	7,206	7,782	9,550	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Vegetables	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Hay and pasture	Ton	684	1,389	5,605	60,53	7,428	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Total price support							210,752	363,540	619,889	661,693	811,975	318,784	559,367	1,020,752	1,094,594	1,343,229
Estimated conservation reserve costs per annum ⁸							65,000	94,300	303,200	313,200	404,000					
Savings indicated by con- servation reserve ap- proach.							145,752	269,240	316,689	348,493	407,975					

¹ It is estimated production would be greater by these amounts without a conser- vation reserve program.

² Based on AMS yields those years adjusted for location and quality of conservation reserve land.

³ Based on 1954-58 AMS yields adjusted for location and quality of conservation reserve land.

⁴ Assumes 1960 new acres will have same location and quality pattern as for 1959.

⁵ Estimated acquisitions consist of the quantities indicated in the various years at the announced price-support rate and estimated added costs for storage, handling, transportation and interest until final disposition. Losses represent the difference between these acquisitions and the estimated returns to the Government on com- modities disposed of by CCC under export and domestic sales for dollars, barter (export) and payment-in-kind (export).

⁶ Peanuts are farmers' stock basis; rice is rough basis.

⁷ No estimates made for tobacco, potatoes, vegetables, other minor crops, livestock, poultry, honey, or products thereof.

⁸ Includes total rental and conservation practice cost-share obligation divided by average number of years per contract.

Third. All of the 23 million acres will be protected by grass, trees, or special plantings for wildlife. Over 15 million acres of the total will be planted to grass and almost 1.9 million acres to trees. Cover especially for the improvement of wildlife habitat will go on 165,000 acres. About 5 million acres were al- ready in acceptable cover, and that will be kept. This is the first major reversal of the trend to destroy wildlife habitat in our rural areas.

Another fact that should not be over- looked is that as the number of acres of cropland placed in the program in- creases the productivity of the land placed under contract increases. The poorer land goes in first, and the better land follows. Therefore, an expanded program can be expected to be even more effective in production adjustments.

The Center for Agricultural Adjust- ment at Iowa State College recently re- ported that at least 45 million acres should be retired to balance production with consumption. If we want to reduce surpluses we must go even further. The goal we should be aiming at should be at least 60 million acres taken out of pro- duction. A goal of as much as 80 mil- lion acres would cost \$1,320 million a year against costs of \$2.5 billion now es- timated for allotments, quotas, storage, and disposal.

Reliable studies show that an adequate conservation reserve program would re- sult in—

First. The abolishment of acreage al- lotments and marketing quotas.

Second. A reduced need for price sup- ports since there would be no market glutting surpluses.

Third. Fair prices could be established in the marketplace.

Fourth. The land in the program would be conserved—timber production would be increased.

Fifth. Fewer floods and clearer streams—more fish and more fishing.

Sixth. More wildlife with increased recreational opportunities.

Seventh. Permanent land-use adjust- ments which would create stable eco- nomic conditions.

Eighth. The reduction of Federal ex- penditures for agriculture.

I urge the House to adopt the confer- ence report authorization of \$375 million for a 1960 conservation reserve. That is the minimum we can do at this time. I also urge all the Members to give serious thought to legislation to extend and sub- stantially expand the program.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 28, line 15, strike out "Provided further, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000" and insert "": *Provided further, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended*

through loans, purchases, or purchase agree- ments made or made available by Com- modity Credit Corporation to any person on the 1960 production of all agricultural commodi- ties, (2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, es- tate, or other legal entity, or a State, politi- cal subdivision of a State, or any agency thereof, (3) That in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative mar- keting organization shall be included in de- termining the amount of price support re- ceived by such person for purposes of such limitation, and (4) That the Secretary of Ag- riculture shall issue regulations prescribing such rules as he determines necessary to pre- vent the evasion of such limitation."

Mr. WHITTEN. Mr. Speaker, I move that the House recede from its disagree- ment to the amendment of the Senate numbered 30, and concur therein with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 30, and concur there- in with an amendment, as follows: In lieu of the matter proposed by said amendment insert "": *Providing further, (1) That no part of this authorization shall be used to form- ulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be ex- tended through loans, purchases, or pur- chase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agri-*

cultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 percent, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within 12 months from the date of the advance of such funds or at such later date as the Secretary may determine,

"(2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof,

"(3) That is the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation, and

"(4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision."

(Mr. WHITTEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WHITTEN. Mr. Speaker, the Senate provision, in the opinion of the conferees, would have been completely unworkable. The language substituted and agreed on by the conference changes the provision for the purpose of enabling the Secretary, notwithstanding the limitation of \$50,000 on a nonrecourse basis, to support the total production of any commodity under price supports, using the general authority of the Commodity Credit Corporation or the Department, if need be.

This is intended, whether such commodity is supported by loans or purchases, and whether title to such commodity would normally pass to the Government under existing law prior to this modification or not. This intent is particularly significant with regard to option A cotton where the producer shall be granted the benefits of either subsection (a) or (b) of section 1.

Section 4 of this paragraph is worded in general and broad terms in order that the Secretary may do all things necessary to preserve orderly marketing of the total production of any price-supported commodity and to retain to the pro-

ducer his right to support on all production above \$50,000, under the terms of either subsection (a) or (b). Among other things, this would enable the Secretary to make loans, or advances, instead of making outright purchase and taking title.

This inclusion of the provision is not to be taken to any way affect existing rights of farmers or producers to change or to reconstitute farms or operations, or to take any other actions which they now have the right to take under existing law. Particular reference is hereby made to special hearings held on June 9, 1959, where the Secretary testified with regard to these rights.

The Senate language would have included dairy products and several others without any provision to handle the problem where supports are carried out by purchases from persons other than the original producer. The conferees have modified section 3 so as to enable the Secretary to continue price supports for all products so handled. In addition, section 4 gives the Secretary the widest latitude to meet problems of this kind.

At this time, I also wish to point out that the conferees have provided \$1,100,000 for a laboratory at Mississippi State University for work on boll weevil and other cotton insects and pests. As pointed out in our report last year, it is estimated that during the 15-year period from 1940-54, the boll weevil destroyed cotton and cottonseed valued at \$2.257 billion. It is further estimated that over \$75 million is spent by farmers each year for boll weevil poison applied in the fields.

Plans for this laboratory were initiated by the House report of last year where we urged the Secretary to review this matter and recommend concrete proposals for meeting this problem. An additional \$25,000 was specifically provided in the bill last year for such a study and report.

It is my belief that this might well prove to be one of the best investments the Government has ever made.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. Mr. Speaker, I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, I wonder if the chairman of the subcommittee, in the revision of his remarks, will make sure that a very careful explanation of this amendment No. 30 involving limitations is inserted for the information of all those who are interested in this important matter. I have opposed limitations on the support program. The House conferees have succeeded in tremendously improving the language carried in the Senate version of the bill. I think it is very important that a clear statement of the situation be made by the chairman of the subcommittee.

Mr. WHITTEN. Mr. Speaker, may I say that I expect to do that. And may I say to the House that this language has been carefully worked out in an effort to make it possible for the agricultural industry of this country to live within the limitations that were voted by both the House and the Senate. It is an effort, again a very careful effort, to protect orderly marketing and to enable the Department to construe these provisions as liberally as the circumstances require to save all the rights in existing law that it is possible to save.

Mr. MAHON. Mr. Speaker, will the gentleman yield further?

Mr. WHITTEN. I yield.

Mr. MAHON. With respect to the conference report which has already been adopted, there has been some feeling among people in the Southwest that the funds for the Great Plains conservation program were probably not adequate. I am most anxious that the program not be retarded. I believe that the amount agreed to in conference is above the figure agreed to in the House. My question is, Does the gentleman from Mississippi feel that the program can progress in an orderly way with the funds provided in the conference report?

Mr. WHITTEN. I certainly do. This figure in the conference report is the same amount that they had for the present year. However, in addition to that there will be a considerable carryover of funds. So this program should be adequately provided for.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. Mr. Speaker, I yield to the gentleman from Illinois.

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include tables.)

Mr. MICHEL. Mr. Speaker, I simply want to say that I am in agreement with the refined language which comes to us from the conference committee on the \$50,000 limitation on Commodity Credit Corporation loans. On June 9 our Agriculture Subcommittee on Appropriations called the Secretary of Agriculture, Mr. Benson, and his associates before us to discuss this \$50,000 limitation. While most of the testimony of this hearing escaped public notice, I should like to have reprinted at this point in the RECORD several of the tables relative to this limitation which are very illuminating. The latest figures available are for the crop year 1958 and, unfortunately, do not include the two basic crops of cotton and corn, but nevertheless, I believe what figures are available are very interesting.

Price support commodity loans of \$50,000 or more, related to total loans made, 1958 crop

Commodity and unit	Loans of \$50,000 or more			Total loans made			Percent of loans over \$50,000 to total loans made		
	Number of loans	Quantity pledged	Amount loaned	Number of loans	Quantity pledged	Amount loaned	Nmber of loans	Quantity pledged	Amount loaned
		Thousand units	Thousands		Thousand units	Thousands			
Barley.....hushels.....	22	5,738	\$5,908	59,177	86,245	\$76,106	0.04	6.65	7.76
Beans, dry edible.....hundredweight.....	7	275	2,059	5,839	3,200	20,846	.12	8.59	9.88
Flaxseed.....hushels.....	1	23	79	24,423	11,525	31,676	0	.20	.25
Grain sorghum.....hundredweight.....	20	754	1,452	186,653	145,934	275,722	.01	.52	.53
Oats.....hushels.....	2	468	314	39,723	68,966	38,515	.01	.68	.82
Peanuts.....pounds.....				73	3,466	366			
Rice.....hundredweight.....	36	2,112	10,370	3,763	8,305	41,004	.96	25.43	25.29
Rye.....hushels.....				10,496	8,645	8,745			
Soybeans.....do.....	23	991	2,070	146,387	125,560	256,273	.02	.79	.81
Wheat.....do.....	117	5,264	9,159	476,419	555,698	1,011,888	.02	.95	.91
Honey.....pounds.....				152	5,543	530			

NOTE.—Comparable data for other commodities will not be available until after July 15, 1959.

DESIGNATED BASIC AGRICULTURAL COMMODITIES

Total production on farms having acreage required to produce enough crop to be eligible for \$50,000 of price support and production in excess of maximum permitted thereunder

	Estimated number of farms ¹	Total estimated production	Production in excess of maximum permitted under \$50,000 limitation
Tobacco:			
Burley.....pounds.....	12	1,529,500	447,580
Flue-cured.....do.....	237	33,114,275	11,464,325
Peanuts.....do.....	24	18,073,536	5,694,768
Wheat.....hushels.....	600	25,469,000	8,530,000
Cotton (choice A) ²500-pound bale.....	2,000	1,600,000	950,000
Corn, commercial area.....hushels.....	102	5,374,000	820,000
Rice.....hundredweight.....	537	10,705,000	4,430,000

¹ Total number of estimated allotment farms and/or producers, 3,512.

² For the 1959 cotton crop, there were 1,017 farms that had original choice (A) allotments of 500 acres or more. The original choice (A) allotments on these farms totaled 918,258 acres. Using the 3-year, 1956-58, average yield per acre on a State basis, the production on these farms computes to about 1,100,000 bales.

The only allotment statistics available for smaller farms which may be affected by the \$50,000 limitation is for farms having 1959 allotments between 100 and 499.9 acres. There were 23,044 farms that had original 1959 choice (A) allotments in this group to which a total of 3,993,757 acres were originally allotted. On the basis of a rough estimate it is not improbable that about 1,000 of these farms, mostly

in California and Arizona, could be affected by the \$50,000 limitation. The total choice (A) allotments on these 1,000 farms is estimated at about 300,000 acres. Using the 3-year average State yields, a production of 500,000 bales is computed. About 500 additional farms, mostly in the delta area, have allotments large enough to produce cotton to the point that the \$50,000 limitation would be effective; however, most of these farms have more than one producer, which fact would make the limitation inapplicable.

On the basis of these statistics a total of about 1,200,000 acres of allotment on 2,000 farms could be affected by the \$50,000 limitation. The computed production for these farms is 1,600,000 bales.

Price support loans made on 1958 crops, dollar size distribution

	Number of loans	Quantity	Amount		Number of loans	Quantity	Amount
Barley:		Bushels		Flaxseed:		Bushels	
Under \$500.....	18,765	6,668,566	\$5,621,822.46	Under \$500.....	5,682	695,412	\$1,866,896.59
\$500 to \$999.99.....	18,484	15,472,812	13,431,797.46	\$500 to \$999.99.....	7,615	2,066,198	5,581,292.25
\$1,000 to \$1,499.99.....	8,844	12,360,463	10,814,972.06	\$1,000 to \$1,499.99.....	4,679	2,113,799	5,733,046.54
\$1,500 to \$1,999.99.....	4,862	9,575,874	8,393,877.05	\$1,500 to \$1,999.99.....	2,537	1,611,186	4,381,320.34
\$2,000 to \$2,499.99.....	2,687	6,848,903	5,995,717.21	\$2,000 to \$2,499.99.....	1,484	1,209,749	3,294,650.69
\$2,500 to \$2,999.99.....	1,575	4,878,388	4,291,886.87	\$2,500 to \$2,999.99.....	783	781,782	2,130,810.59
\$3,000 to \$3,999.99.....	1,666	6,533,866	5,731,048.55	\$3,000 to \$3,999.99.....	815	1,023,673	2,788,140.65
\$4,000 to \$4,999.99.....	843	4,286,209	3,747,716.73	\$4,000 to \$4,999.99.....	354	573,291	1,567,372.22
\$5,000 to \$9,999.99.....	1,083	8,395,750	7,302,197.74	\$5,000 to \$9,999.99.....	349	806,693	2,267,061.90
\$10,000 to \$24,999.99.....	283	4,564,399	4,004,244.00	\$10,000 to \$24,999.99.....	120	584,113	1,864,909.79
\$25,000 to \$49,999.99.....	25	862,510	807,028.82	\$25,000 to \$49,999.99.....	4	35,789	121,325.84
Over \$50,000.....	23	5,797,474	5,962,952.93	Over \$50,000.....	1	23,235	78,766.38
Total.....	59,140	86,245,214	76,105,261.88	Total.....	24,423	11,524,920	31,675,593.78
Beans, dry, edible:		Hundred-weight		Grain sorghum:		Hundred-weight	
Under \$500.....	314	18,003	111,355.14	Under \$500.....	62,648	9,214,434	17,769,894.63
\$500 to \$999.99.....	768	95,117	578,812.96	\$500 to \$999.99.....	47,768	17,906,269	34,569,140.98
\$1,000 to \$1,499.99.....	896	173,341	1,129,259.02	\$1,000 to \$1,499.99.....	25,648	16,364,635	31,352,977.50
\$1,500 to \$1,999.99.....	725	202,749	1,265,513.33	\$1,500 to \$1,999.99.....	14,074	12,807,894	24,380,876.91
\$2,000 to \$2,499.99.....	558	200,380	1,256,287.91	\$2,000 to \$2,499.99.....	9,628	11,269,286	21,610,723.37
\$2,500 to \$2,999.99.....	472	206,336	1,297,086.34	\$2,500 to \$2,999.99.....	5,904	8,525,295	16,098,028.90
\$3,000 to \$3,999.99.....	675	373,217	2,332,258.58	\$3,000 to \$3,999.99.....	6,825	12,663,918	23,534,722.71
\$4,000 to \$4,999.99.....	415	294,833	1,854,865.98	\$4,000 to \$4,999.99.....	4,281	10,296,161	19,087,865.26
\$5,000 to \$9,999.99.....	693	729,421	4,676,258.27	\$5,000 to \$9,999.99.....	7,401	27,190,667	50,690,636.65
\$10,000 to \$24,999.99.....	275	589,462	3,994,833.27	\$10,000 to \$24,999.99.....	2,331	16,959,036	31,382,758.85
\$25,000 to \$49,999.99.....	8	41,767	290,359.48	\$25,000 to \$49,999.99.....	118	2,053,177	3,840,976.64
Over \$50,000.....	7	274,680	2,058,775.44	Over \$50,000.....	21	783,132	1,503,779.62
Total.....	5,806	3,199,306	20,845,665.72	Total.....	186,647	145,933,904	275,722,382.02

Price support loans made on 1958 crops, dollar size distribution—Continued

	Number of loans	Quantity	Amount		Number of loans	Quantity	Amount
		Pounds				Hundred- weight	
Honey:				Rice—Continued			
Under \$500.....	5	16, 445	\$1, 532. 41	\$4,000 to \$4,999.99.....	344	317, 359	\$1, 540, 969. 70
\$500 to \$999.99.....	28	215, 412	21, 011. 78	\$5,000 to \$9,999.99.....	1, 119	1, 648, 894	8, 083, 422. 74
\$1,000 to \$1,499.99.....	16	200, 430	20, 048. 64	\$10,000 to \$24,999.99.....	964	2, 924, 225	14, 561, 774. 23
\$1,500 to \$1,999.99.....	15	279, 455	26, 538. 31	\$25,000 to \$49,999.99.....	119	749, 771	3, 778, 254. 98
\$2,000 to \$2,499.99.....	13	299, 695	27, 957. 92	Over \$50,000.....	37	2, 122, 968	10, 480, 314. 65
\$2,500 to \$2,999.99.....	13	368, 940	35, 204. 78	Total.....	3, 706	8, 305, 092	41, 004, 102. 72
\$3,000 to \$3,999.99.....	21	759, 385	73, 559. 22				
\$4,000 to \$4,999.99.....	9	428, 505	39, 587. 57	Rye:		Bushels	
\$5,000 to \$9,999.99.....	23	1, 653, 630	159, 091. 12	Under \$500.....	4, 873	1, 385, 513	1, 351, 776. 13
\$10,000 to \$24,999.99.....	9	1, 321, 320	125, 799. 96	\$500 to \$999.99.....	3, 188	2, 308, 671	2, 296, 606. 58
\$25,000 to \$49,999.99.....				\$1,000 to \$1,499.99.....	1, 150	1, 393, 870	1, 400, 772. 04
Over \$50,000.....				\$1,500 to \$1,999.99.....	520	888, 867	894, 148. 06
Total.....	152	5, 543, 217	530, 331. 71	\$2,000 to \$2,499.99.....	297	641, 145	654, 250. 52
				\$2,500 to \$2,999.99.....	157	421, 372	428, 339. 84
Oats:		Bushels		\$3,000 to \$3,999.99.....	127	419, 287	430, 644. 36
Under \$500.....	14, 016	8, 061, 449	4, 439, 685. 70	\$4,000 to \$4,999.99.....	59	250, 351	261, 870. 69
\$500 to \$999.99.....	14, 020	18, 017, 569	9, 927, 057. 26	\$5,000 to \$9,999.99.....	96	594, 201	641, 249. 87
\$1,000 to \$1,499.99.....	5, 691	12, 342, 477	6, 815, 169. 05	\$10,000 to \$24,999.99.....	28	297, 552	340, 677. 84
\$1,500 to \$1,999.99.....	2, 596	8, 020, 894	4, 459, 362. 47	\$25,000 to \$49,999.99.....	1	44, 074	44, 074. 00
\$2,000 to \$2,499.99.....	1, 287	5, 097, 069	2, 854, 490. 15	Over \$50,000.....			
\$2,500 to \$2,999.99.....	708	3, 441, 695	1, 931, 697. 97	Total.....	10, 496	8, 644, 903	8, 744, 409. 92
\$3,000 to \$3,999.99.....	707	4, 343, 865	2, 413, 158. 01				
\$3,000 to \$3,999.99.....	334	2, 604, 073	1, 483, 550. 54	Soybeans:		Bushels	
\$4,000 to \$4,999.99.....	365	4, 214, 948	2, 422, 620. 28	Under \$500.....	23, 354	3, 969, 338	7, 883, 532. 45
\$5,000 to \$9,999.99.....	83	1, 938, 542	1, 187, 270. 57	\$500 to \$999.99.....	31, 967	15, 550, 423	31, 238, 677. 39
\$10,000 to \$24,999.99.....	8	414, 542	267, 198. 51	\$1,000 to \$1,499.99.....	30, 962	18, 820, 334	38, 096, 375. 32
\$25,000 to \$49,999.99.....	2	468, 379	314, 094. 74	\$1,500 to \$1,999.99.....	21, 772	18, 583, 513	37, 838, 067. 30
Over \$50,000.....				\$2,000 to \$2,499.99.....	12, 630	13, 780, 867	28, 141, 660. 55
Total.....	39, 716	68, 965, 502	38, 515, 355. 25	\$2,500 to \$2,999.99.....	7, 650	10, 207, 022	20, 897, 360. 80
				\$3,000 to \$3,999.99.....	8, 502	14, 264, 585	29, 299, 470. 24
Peanuts: ¹		Pounds		\$4,000 to \$4,999.99.....	4, 048	8, 662, 811	17, 894, 120. 48
Under \$500.....	4	12, 524	1, 331. 25	\$5,000 to \$9,999.99.....	4, 567	14, 392, 106	29, 750, 021. 07
\$500 to \$999.99.....	7	49, 222	5, 123. 18	\$10,000 to \$24,999.99.....	835	5, 453, 622	11, 295, 774. 98
\$1,000 to \$1,499.99.....	8	91, 190	9, 900. 29	\$25,000 to \$49,999.99.....	63	931, 123	1, 975, 116. 33
\$1,500 to \$1,999.99.....	5	83, 127	9, 043. 60	Over \$50,000.....	20	940, 114	1, 962, 941. 82
\$2,000 to \$2,499.99.....	8	164, 274	17, 539. 95	Total.....	146, 370	125, 559, 898	256, 273, 117. 73
\$2,500 to \$2,999.99.....	3	77, 327	8, 354. 05				
\$3,000 to \$3,999.99.....	9	322, 139	32, 360. 60	Wheat:		Bushels	
\$3,000 to \$3,999.99.....	9	263, 715	27, 829. 97	Under \$500.....	75, 579	12, 823, 112	23, 778, 904. 34
\$4,000 to \$4,999.99.....	6	910, 260	94, 838. 67	\$500 to \$999.99.....	106, 462	42, 625, 322	79, 174, 910. 04
\$5,000 to \$9,999.99.....	14	1, 173, 879	125, 698. 48	\$1,000 to \$1,499.99.....	79, 467	53, 053, 825	98, 195, 610. 28
\$10,000 to \$24,999.99.....	8	318, 739	34, 017. 02	\$1,500 to \$1,999.99.....	59, 178	55, 592, 955	102, 555, 733. 34
\$25,000 to \$49,999.99.....	1			\$2,000 to \$2,499.99.....	37, 337	45, 330, 009	83, 554, 817. 77
Over \$50,000.....				\$2,500 to \$2,999.99.....	25, 547	38, 061, 573	69, 866, 627. 70
Total.....	73	3, 466, 396	366, 037. 06	\$3,000 to \$3,999.99.....	35, 074	66, 457, 278	121, 390, 589. 61
				\$3,000 to \$3,999.99.....	19, 280	46, 990, 847	85, 588, 823. 06
Rice:		Hundred- weight		\$4,000 to \$4,999.99.....	29, 082	109, 456, 390	196, 843, 946. 38
Under \$500.....	6	4, 077	18, 651. 66	\$5,000 to \$9,999.99.....	8, 623	68, 101, 594	121, 177, 535. 86
\$500 to \$999.99.....	119	20, 077	92, 269. 28	\$10,000 to \$24,999.99.....	642	11, 947, 886	20, 642, 878. 66
\$1,000 to \$1,499.99.....	134	37, 571	172, 022. 35	\$25,000 to \$49,999.99.....	116	5, 257, 618	9, 117, 417. 98
\$1,500 to \$1,999.99.....	148	55, 943	260, 475. 97	Over \$50,000.....			
\$2,000 to \$2,499.99.....	151	70, 522	340, 206. 53	Total.....	476, 387	555, 698, 209	1, 011, 887, 795. 02
\$2,500 to \$2,999.99.....	153	88, 922	421, 206. 33				
\$3,000 to \$3,999.99.....	358	264, 763	1, 254, 534. 30				

¹ Farm-stored only.

1958 crop price support commodity loans of \$50,000 or more, by producer

BARLEY (BUSHELS)

BEANS, DRY EDIBLE (HUNDREDWEIGHT)

Producer	Address	Quantity pledged	Amount	Producer	Address	Quantity pledged	Amount
Arlington Cattle Co. et al.....	Arlington, Ariz.....	112, 408	\$112, 408. 00	Bean Growers.....	Sacramento, Calif.....	82, 219	\$567, 944. 35
Westlake Farms, Inc.....	Straford, Calif.....	1, 086, 125	1, 140, 431. 70	California Lima Bean Growers Association.....	Oxnard, Calif.....	57, 096	520, 039. 80
Giffen, Inc.....	Huron, Calif.....	1, 063, 720	1, 115, 860. 72	Harold T. Segerstrom et al.....	Santa Ana, Calif.....	11, 200	106, 960. 00
Salzer Land Co.....	Corcoran, Calif.....	936, 541	951, 076. 70	Walter Awe.....	Crows Landing, Calif.....	5, 868	56, 039. 40
South Lake Farms.....	do.....	383, 333	398, 666. 68	Western Bean Growers.....	Denver, Colo.....	8, 697	50, 919. 89
Five Points Ranch, Inc.....	Five Points, Calif.....	300, 725	314, 990. 08	Michigan Cooperative Bean Marketing Association.....	Lansing, Mich.....	61, 600	441, 672. 00
Calflax Co., Inc.....	Fresno, Calif.....	298, 744	313, 681. 20	Washington Cooperative Farmer Association.....	Seattle, Wash.....	48, 000	315, 200. 00
Employee Enterprises, Inc.....	Huron, Calif.....	254, 367	267, 085. 35				
Jack Harris, Inc.....	Five Points, Calif.....	245, 289	257, 553. 45				
Bucna Vista Associates, Inc.....	San Francisco, Calif.....	188, 510	193, 280. 21				
Vista del Llano Farms et al.....	Firebaugh, Calif.....	114, 015	122, 942. 34				
J. G. Stoneland Co.....	Stratford, Calif.....	99, 543	104, 520. 15				
Harnish Five Points, Inc.....	Five Points, Calif.....	77, 388	80, 952. 69				
W. H. Davenport et al.....	Fresno, Calif.....	61, 691	64, 775. 55				
Gilkey Farms, Inc.....	Corcoran, Calif.....	60, 859	61, 865. 28				
John Kochergen et al.....	Fresno, Calif.....	55, 771	58, 559. 55				
Newhall Land & Farming.....	Firebaugh, Calif.....	48, 519	51, 430. 14				
Anderson Clayton & Co.....	Corcoran, Calif.....	47, 844	50, 235. 72				
Campbell Farming Corp.....	Hardin, Mont.....	73, 867	53, 184. 24				
Stewart Bros.....	Shelby, Mont.....	69, 466	62, 099. 50				
Robert F. Reimers et al.....	Melville, N. Dak.....	59, 119	54, 389. 48				
C. E. Dilse.....	Scranton, N. Dak.....	61, 673	50, 571. 86				
Tulana Farms.....	Worden, Oreg.....	97, 957	92, 392. 34				

FLAXSEED (BUSHELS)

Moiola Bros.....	Brawley, Calif.....	23, 235	\$78, 766. 38
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OATS (BUSHEL)

KV Ranch.....	Porthill, Idaho.....	112, 102	\$66, 140. 18
Tulana Farms.....	Worden, Oreg.....	356, 367	247, 954. 56

1958 crop price support commodity loans of \$50,000 or more, by producer—Continued

Producer	Address	Quantity pledged	Amount	Producer	Address	Quantity pledged	Amount
RICE (HUNDREDWEIGHT)				WHEAT (BUSHELS)			
Arkansas Rice Growers Co-operative Association.	Stuttgart, Ark.	1, 054, 175	\$5, 369, 078. 30	John F. Nutt et al.	Elroy, Ariz.	74, 221	\$103, 909. 12
Producers Rice Mill, Inc.	do.	253, 179	1, 331, 723. 65	Vista del Llano Farms et al.	Fierbaugh, Calif.	68, 330	143, 141. 19
Craighead Rice Milling Co.	Jonesboro, Ark.	32, 289	154, 007. 47	Raymond Castanchoa et al.	McFarland, Calif.	43, 906	91, 104. 81
W. B. Bynum Cooperative Co.	Dermott, Ark.	23, 648	106, 561. 17	Blas Gorrindo, Sr., et al.	Lancaster, Calif.	41, 540	81, 833. 80
Red Bud Farms, Inc.	Wahash, Ark.	14, 537	76, 210. 51	J. C. Boswell Co.	Los Angeles, Calif.	38, 341	74, 360. 18
W. F. Hurley	Diaz, Ark.	14, 204	75, 325. 23	Redfern Ranches	Dos Palos, Calif.	30, 431	64, 818. 02
Dawson Farms, Inc.	Louisville, Ky. ¹	13, 466	71, 020. 63	Giffin Inc. et al.	Huron, Calif.	32, 542	63, 131. 48
Moore Bros.	Walnut Ridge, Ark.	14, 035	68, 635. 05	Frank Lamb et al.	Meridan, Calif.	27, 466	58, 462. 44
R. C. Nicholson et al.	Brinkley, Ark.	12, 214	66, 950. 90	Hammonds Ranch, Inc.	Firebaugh, Calif.	27, 136	57, 798. 96
Leon Rutledge, et al.	Newport, Ark.	13, 345	61, 848. 95	Employees Enterprise, Inc.	Huron, Calif.	31, 201	56, 500. 18
Arkansas State Penitentiary	Grady Ark.	12, 308	60, 283. 83	J. R. Hammonds Estate et al.	Firebaugh, Calif.	25, 610	54, 548. 03
Elmer Ferguson	DeWitt, Ark.	9, 799	51, 824. 43	J. M. Monaghan	Derby, Colo.	103, 253	181, 066. 22
Farmers Rice Growers Co-operative.	West Sacramento, Calif.	155, 754	646, 379. 10	Sprague Bros.	Holyoke, Colo.	52, 865	87, 473. 40
Central Valley Rice Growers	Stockton, Calif.	88, 264	353, 482. 25	Iron Mueller Inc. of Colorado	Bird City, Kans. ²	44, 625	80, 771. 25
N. F. Davis	Firebaugh, Calif.	19, 879	83, 888. 96	C. V. Cogburn	Walsh, Colo.	42, 853	76, 506. 70
L. C. Ulrich	Woodland, Calif.	13, 105	53, 599. 45	Ben Gay	Brush, Colo.	33, 649	60, 231. 71
Louisiana Rice Growers, Inc.	Crowley, La.	99, 111	500, 772. 78	Rooney Farms	Garden City, Kans. ³	27, 388	59, 458. 05
W. J. Gayle & Sons	Gueydin, La.	18, 104	88, 866. 52	Delford L. Bowman	Wray, Colo.	31, 157	55, 147. 89
Lawrence E. LeJeune et al.	Elton, La.	11, 988	59, 288. 63	Tom Bradbury	Littleton, Colo.	31, 235	54, 661. 25
Percy Baronet et al.	Shaw, Miss.	17, 327	83, 345. 95	Bernard Neill et al.	Springfield, Colo.	31, 047	54, 642. 72
James K. Greer et al.	Hollandale, Miss.	16, 662	77, 466. 21	Iler P. Anderson & Sons	Genoa, Colo.	29, 071	50, 874. 25
Allen Gray Estate	Benoit, Miss.	13, 777	66, 006. 80	W. T. Wagner & Sons	Lewiston, Idaho	49, 493	77, 559. 84
W. & W. Planting Co.	Greenwood, Miss.	14, 434	60, 181. 03	Lenard Schritter	Aherdeen, Idaho	34, 044	61, 901. 20
J. C. O'Neal	Cleveland, Miss.	10, 201	52, 095. 96	Albert Fraham	Colhy, Kans.	54, 068	97, 322. 40
Koop Bros.	Edna, Tex.	21, 775	106, 822. 41	Ellsworth Sberman	Garden City, Kans.	52, 676	95, 343. 56
E. J. Stoesser	Dayton, Tex.	16, 697	85, 658. 78	Wycoff Bros.	Russell Springs, Kans.	41, 358	74, 857. 98
Schiurring Bros. et al.	El Campo, Tex.	15, 660	74, 147. 26	Thies Co.	Dodge City, Kans.	41, 442	71, 723. 20
J. W. Adams & Son et al.	Angleton, Tex.	15, 323	71, 777. 02	Carl N. Broilier	Moscow, Kans.	38, 396	68, 343. 10
Emil Townsend et al.	El Campo, Tex.	14, 989	69, 270. 96	Jessie Johns et al.	Johnson, Kans.	38, 000	67, 712. 20
P. J. Smidt	do.	13, 783	66, 509. 46	Burkham & Glenn	do.	35, 238	62, 723. 64
B. H. Willis	Beaumont, Tex.	11, 539	63, 902. 48	Wilber White	Goodland, Kans.	31, 360	56, 243. 74
Texas Rice Land Co.	do.	10, 452	57, 988. 65	Harold W. Frasier	Sharon Springs, Kans.	30, 347	54, 013. 50
E. B. Anderson	E. Bernard, Tex.	11, 051	56, 491. 90	Winter Bros.	Dodge City, Kans.	28, 244	51, 121. 64
T. T. Duncan et al.	El Campo, Tex.	12, 312	55, 773. 36	Campbell Farming Corp.	Hardin, Mont.	321, 916	515, 265. 20
Peltier Bros.	Danbury, Tex.	12, 445	51, 899. 74	Sheffels Farms, Inc.	Great Falls, Mont.	64, 784	104, 063. 02
D. L. Heckaman	Hamshire, Tex.	9, 804	50, 694. 89	E. G. Onstad	Carter, Mont.	55, 928	89, 720. 21
L. Raneb Co. et al.	Ganado, Tex.	11, 333	50, 533. 98	V. R. Cazier & Sons	Toston, Mont.	55, 622	86, 875. 99
GRAIN SORGHUM (HUNDREDWEIGHT)				Warren Swenson	Cut Bank, Mont.	51, 551	82, 481. 60
Jack Robinson & Sons	Wileox, Ariz.	40, 724	\$89, 185. 56	Floyd Warren, Inc.	Hardin, Mont.	44, 915	72, 635. 59
J. L. Kidd, Jr.	do.	31, 658	69, 647. 16	McNutt Bros.	Eugene, Oreg. ⁴	43, 087	68, 951. 20
Farmers Investment Co.	Tucson, Ariz.	29, 792	63, 456. 96	LeRoy H. Anderson	Conrad, Mont.	42, 831	68, 608. 91
G & K Farms	Wileox, Ariz.	26, 727	58, 800. 22	Walter Banks & Sons	do.	38, 380	61, 490. 16
Hooper & Rugs	Casa Grande, Ariz.	24, 295	53, 206. 02	Hunsaker Bros.	Toston, Mont.	38, 128	60, 785. 26
Walter C. Owens	McNeal, Ariz.	22, 735	50, 016. 34	Millord Colony, Inc.	Augusta, Mont.	34, 942	55, 907. 20
C. M. Wilmarth	Grimes, Calif.	22, 947	52, 090. 53	Sylvia E. Gruel et al.	Great Falls, Mont.	32, 554	52, 086. 40
Burkham & Glenn	Johnson, Kans.	63, 994	108, 149. 86	Math. Thielges	Chester, Mont.	32, 292	51, 732. 03
Carl N. Broilier	Moscow, Kans.	42, 061	71, 503. 70	Morrison & Quirk	Harvard, Nebr.	40, 000	75, 800. 00
Morrison & Quirk	Hastings, Nebr.	39, 223	71, 778. 24	H. B. Welinitz	Rushville, Nebr.	20, 332	52, 210. 96
Williams & Sons	Clovis, N. Mex.	35, 501	62, 127. 03	John Garrett, Jr.	Ciovis, N. Mex.	45, 000	82, 350. 00
Massey & Harper	Robstown, Tex.	56, 754	120, 885. 67	E. E. Dilse	Scranton, N. Dak.	54, 822	96, 266. 72
Palo Alto Farms	Bishop, Tex.	48, 121	102, 497. 47	L. E. Tilbert et al.	Voss, N. Dak.	33, 646	63, 254. 48
Taft McGee	Hereford, Tex.	56, 895	99, 566. 25	John D. Kirschmann	Lemmon, N. Dak.	32, 247	58, 367. 07
Jack W. Miller	Dimmitt, Tex.	45, 408	79, 463. 86	Walter M. Anderson	Turpin, Okla.	35, 784	67, 894. 86
Salt Creek Ranch	Refugio, Tex.	36, 143	74, 815. 70	Kasmos & Geargas	Helix, Oreg.	93, 430	153, 169. 41
Howard Bros.	Dimmitt, Tex.	43, 665	71, 611. 26	Ralph Crum	Ione, Oreg.	54, 970	92, 709. 63
V. E. Nichols	Friona, Tex.	32, 240	52, 550. 55	Bafus & Sons	Cecil, Oreg.	42, 914	83, 253. 47
Rodney Smith	Hart, Tex.	29, 610	51, 818. 11	McCanse Graham & Kaufman	North Powder, Oreg.	47, 365	72, 662. 53
H. H. Moore	East Bernard, Tex.	24, 639	50, 509. 13	Chas. Carlson	Ione, Oreg.	39, 733	72, 535. 42
J. K. Griffith	Morton, Tex.	30, 000	50, 100. 00	B. L. Davis Ranch, Inc.	Adams, Oreg.	38, 472	67, 242. 28
SOYBEANS (BUSHELS)				Coppinger & Son	Echo, Oreg.	37, 566	61, 608. 78
Wesson Farm, Inc.	Victoria, Ark.	98, 780	\$203, 486. 80	Key Bros.	Milton Freewater, Oreg.	35, 158	61, 420. 91
Keiser Supply Co.	Keiser, Ark.	86, 310	180, 633. 68	A. C. Lindsay	Lexington, Oreg.	31, 101	59, 886. 27
Armored Planting Co.	Armored, Ark.	57, 363	120, 462. 89	John Proudfoot & L. Gorgier	Ione, Oreg.	32, 720	59, 550. 40
R. A. Piekens & Sons, Co.	Piekens, Ark.	50, 727	106, 526. 70	O. W. Cutsforth	Hoppner, Oreg.	32, 112	58, 560. 30
Craighead Rice Milling Co.	Jonesboro, Ark.	50, 153	105, 320. 46	Vlassenroot & Gilhert	Pendleton, Oreg.	35, 005	57, 312. 17
D. F. Portis	Lepanto, Ark.	49, 609	103, 944. 87	L. S. Glen Thorne	do.	34, 254	56, 176. 86
Lee Wilson & Co.	Wilson, Ark.	45, 403	95, 346. 34	F. L. Watkins et al.	Wasco, Oreg.	30, 029	55, 318. 09
Vance M. Thompson	McCrory, Ark.	36, 874	77, 436. 01	Archie Harris	Touchet, Oreg.	29, 884	52, 595. 84
C. G. Morgan	Hughes, Ark.	34, 818	71, 725. 08	Roy Howard & Sons	Milton Freewater, Oreg.	31, 708	51, 993. 70
Carlson Bros.	Marion, Ark.	32, 057	66, 037. 42	Cross Ranch	Pendleton, Oreg.	28, 946	50, 655. 50
Jack Hale	Armored, Ark.	27, 113	55, 717. 21	McCommach Bros.	do.	30, 628	50, 229. 25
James M. Thomas	Tuckerman, Ark.	26, 443	55, 530. 30	W. J. Asmussen	Agar, S. Dak.	48, 397	88, 994. 20
Leonard Sitzler	Weiner, Ark.	25, 854	54, 293. 73	Dennis L. Anderson	Onida, S. Dak.	27, 433	51, 299. 71
Middletown Mills—Robert Garrett.	Burlington, Iowa	24, 114	50, 398. 26	W. T. Waggoner Trust Estate	Vernon, Tex.	132, 599	321, 795. 00
E. B. Gee	Blytheville, Ark. ²	145, 906	307, 322. 61	Perrin, Perrin & Freeman	Hereford, Tex.	95, 909	165, 593. 82
Story Farms, Inc.	Wolf, Mo.	33, 196	69, 893. 92	J. W. Huff	Dumas, Tex.	65, 153	112, 263. 73
E. E. Jolly	Catron, Mo.	33, 295	68, 920. 65	Ware Farms	Dimmitt, Tex.	46, 400	78, 267. 44
Hunter Land, Inc.	Bell City, Mo.	27, 984	57, 926. 84	Pan Teeh Farms	Panhandle, Tex.	40, 991	77, 062. 76
J. V. Conran et al.	Conran, Mo.	27, 251	56, 409. 57	T. C. Harvey, Jr.	Gruver, Tex.	40, 219	75, 209. 53
Ed Marshall & Son	Charleston, Mo.	26, 864	55, 608. 48	Thomas L. Moran	Dumas, Tex.	41, 567	70, 192. 58

Footnotes at end of table.

1958 crop price support commodity loans of \$50,000 or more, by producer—Continued

Producer	Address	Quantity pledged	Amount	Producer	Address	Quantity pledged	Amount
WHEAT (BUSHELS)—continued				WHEAT (BUSHELS)—continued			
Virgil J. Feezell	Mabton, Wash.	66,002	\$115,798.20	Dwayne Blankenship	Washtuena, Wash.	36,489	\$61,724.63
Edgar W. Smith et al.	Lancaster, Wash.	63,859	107,849.90	J. E. Hair	Walla Walla, Wash.	34,005	59,508.75
Tompkins & Sons	Walla Walla, Wash.	62,536	106,312.37	Guy Travis	Prosser, Wash.	32,190	58,382.30
L. C. Staley	Pullman, Wash.	60,610	101,754.81	S. T. S. Farms	Walla Walla, Wash.	35,527	58,096.37
Cecil R. Anderson	Walla Walla, Wash.	53,425	87,175.57	Connell, Wash.	Connell, Wash.	35,730	58,017.27
J. G. Peyton Trust et al.	Sprague, Wash.	51,547	86,482.71	Amber, Wash.	Amber, Wash.	33,622	56,148.74
John R. Rea et al.	Touchee, Wash.	47,277	82,734.75	Phoenix, Ariz. ⁴	Phoenix, Ariz. ⁴	30,952	55,404.08
R. L. Ferrell et al.	Pomeroy, Wash.	43,593	71,056.31	Ritzville, Wash.	Ritzville, Wash.	35,000	55,159.08
Don Damon	Spokane, Wash.	41,407	69,978.00	Walla Walla, Wash.	Walla Walla, Wash.	30,758	53,826.50
Adolph Timm et al.	Harrington, Wash.	42,792	67,610.68	Pendleton, Oreg. ⁵	Pendleton, Oreg. ⁵	33,769	53,354.75
Redman Lasater	Prescott, Wash.	40,418	66,690.41	Pomeroy, Wash.	Pomeroy, Wash.	31,281	51,300.27
Carl Boyd	Pullman, Wash.	38,725	65,283.60	Eureka, Wash.	Eureka, Wash.	30,819	50,235.33
Higginbotham Bros.	Hartline, Wash.	39,083	62,141.25	Philip Hoffman et al.			

¹ Loan was made on rice grown in Arkansas.

² Loan was made on soybeans grown in Missouri.

³ Loan was made on wheat grown in Colorado.

⁴ Loan was made on wheat grown in Montana.

⁵ Loan was made on wheat grown in Washington.

Mr. SMITH of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague from Mississippi [Mr. SMITH].

(Mr. SMITH of Mississippi asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SMITH of Mississippi. Mr. Speaker, I want to express my appreciation for the effort that has been made by the conference committee to keep the provision in regard to price support loans from being completely destructive to American agriculture.

The limitation on loans as originally passed by both Houses was an ill-conceived attempt to remedy a situation that has been the subject of much misinformed propaganda. There are many faults with our present agriculture support program, but certainly the basic idea of the program, to provide for a system of orderly marketing, is the greatest assistance the Government can render the farmer.

The conferees have done as much as was possible, working within the framework of the provisions adopted by both Houses, to keep the orderly marketing program still in effect. I am hopeful that there will be an intelligent administration of this provision of the law and that its administration will make clear that this type of limitation procedure is neither good economy for the Government nor good for the agricultural economy.

(Mr. McGOVERN asked and was given permission to extend his remarks at this point in the RECORD.)

SOUTH DAKOTA AGRICULTURAL RESEARCH

Mr. McGOVERN. Mr. Speaker, I rise in support of the conference report on the bill H.R. 7175 providing appropriations for the Department of Agriculture and Farm Credit Administration.

I especially want to urge the support of the House for two worthwhile research projects in South Dakota. The legislation before us includes an appropriation of \$550,000 for construction of a laboratory and auxiliary buildings at South Dakota State College to conduct research on insects affecting corn and other grains. This fine institution located at Brookings, S. Dak., is an ideal center for essential research of this nature.

I also urge support for the provision of \$50,000 in the legislation for conducting research on soil and water conservation in eastern South Dakota. This is a modest investment that will far more than pay its cost in the form of agricultural and conservation dividends.

I am vitally interested, too, in the continuing appropriations for the agricultural conservation program and the Soil Conservation Service. I urge the passage of the legislation before us.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I realize the distinguished chairman of the subcommittee was faced with a dilemma here in working out language on an amendment that did not have his support originally.

Mr. WHITTEN. May I say to the gentleman this method of farm legislation still does not have my support, though I have done my best to bail the situation out.

Mr. AVERY. I had the definite impression the gentleman was still not in support of this limitation. I have just gotten to the floor; has the gentleman given us a synopsis of this or, if not, will he do so?

Mr. WHITTEN. I have not in any great detail. But what we have done here, in line with the House provision, is this: The limitation applies separately to each commodity. Believing the intent of the proponents of this amendment on the House side was to limit it to those commodities in surplus supply, we have provided that it apply only to those commodities designated in surplus supply by the Secretary.

We must save orderly marketing. We have tried to do that. The report provides that production per person above \$50,000 is eligible for loans, but strictly on a repayment basis. However, we further provide that if a producer should cut his production up to 20 percent, he would be exempt from the \$50,000 limitation. The reasoning of the conferees on that is that if a part of the production were not eligible and, in turn, were forced upon the market it would depress the market. Because the domestic market would be depressed, it would

force that production up to the \$50,000 into the hands of the Government to a greater extent that is true now. That would have been the result under the Senate language. As we saw it, then, it was essential to protect against that insofar as we could within a limitation and protect the orderly marketing of production per person in excess of \$50,000. That is about what we have done.

Mr. AVERY. Did I understand the gentleman to say that the Secretary would have to designate the basic commodities as being in surplus before they would come under this limitation?

Mr. WHITTEN. That is true.

Mr. AVERY. They would not automatically come under this limitation then?

Mr. WHITTEN. No, and that is on the theory that if they are not in short supply, the Government gets its money back anyway.

Mr. AVERY. Yes. Did I further understand the gentleman to say that the limitation of \$50,000 would apply so far as the Commodity Credit Corporation being obligated to take over the commodity and any loan in excess of \$50,000 would be required to be repaid within a 12-month period of time?

Mr. WHITTEN. Or at such later date as the Secretary might determine. That will give the Secretary some discretion so as not to force the commodity on the market, if in his judgment he thinks it would be better to extend the time for repayment of the loan. Of course subsection (a) of section 1 gives other rights.

Mr. AVERY. I would like to say I do not think this is as good an amendment as it was when it left the House, but it is much better than it was a year ago.

Mr. WHITTEN. May I say to the gentleman that the House provision was limited to \$50,000 per loan, and a man could get as many loans as he might wish to, and things of that sort. Being against the amendment in its entirety, I prefer the looser language of the House, but we were faced with the necessities of the situation.

Mr. AVERY. If the gentleman will permit me to say, that would be a matter of interpretation. But, may I ask the gentleman just one more question? As to what crops this limitation would ap-

ply and I am referring particularly to the calendar year.

Mr. WHITTEN. I beg the gentleman's pardon, I did not exactly catch the gentleman's question.

Mr. AVERY. It would apply to crops harvested in 1960; is that correct?

Mr. WHITTEN. That is right.

Mr. AVERY. So that would apply to the wheat crop that is going to be planted this fall; is that correct?

Mr. WHITTEN. It is the crop produced in 1960.

Mr. AVERY. That is in 1960, but it would not apply to the corn crop that is now planted and which will be harvested in 1959; is that correct?

Mr. WHITTEN. It would not.

Mr. AVERY. And that is so even though that fiscal year of 1960 would have commenced by that time?

Mr. GATHINGS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. GATHINGS. I would like to ask the gentleman just what was done in the conference with respect to cooperatives, regarding this limitation on loans?

Mr. WHITTEN. For cooperatives and those buyers who are not cooperatives but are marketing agents for a group of producers, which primarily has to do with dairying, with respect to them it is provided that the \$50,000 limitation does not apply. The limitation does not apply to a cooperative as such—

Mr. GATHINGS. That is the way it should be.

Mr. WHITTEN. Or to a person who is a marketing agent, as such. But it does require that the cooperative and the others, in effect, pass back to the individual, the \$50,000 limitation in line with the general provisions that have to do with the other products. So it leaves the cooperative in the situation where they can handle commodities for a large number of people without the \$50,000 limitation, but the people themselves come under the general provision.

Mr. GATHINGS. For example, in the handling of rice and cotton it is done through cooperatives. Several hundred farmers are members of cooperatives. Under the terms of the amendment, does the provision apply to the individual farmer or the cooperative as such?

Mr. WHITTEN. The cooperative would not have any limitation on its total loans received. But the cooperative in turn would have to see that the individual members of the cooperative would be covered by the general limitation as would an individual who went direct to the Commodity Credit Corporation.

Mr. GATHINGS. I thank the gentleman. He and his committee have done a commendable job on a difficult question.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

A motion to reconsider the vote by which action was taken on the several motions was laid on the table.

SUBCOMMITTEE ON COMMUNICATIONS AND POWER OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Communications and Power of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate for the rest of this week.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

TEMPORARY APPROPRIATIONS, 1960

The SPEAKER. The Chair recognizes the gentleman from Missouri.

Mr. CANNON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CANNON. Mr. Speaker, I am advised that the gentleman from New York [Mr. TABER] will demand a second on the motion to suspend the rules on the Temporary Appropriations Act of 1960. How will the time for debate be distributed under the circumstances?

The SPEAKER. Twenty minutes on a side.

Mr. CANNON. Mr. Speaker, I move to suspend the rules and pass the resolution (H.J. Res. 439) making temporary appropriations for the fiscal year 1960, and for other purposes.

The Clerk read the resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government, namely:

Sec. 101. (a) (1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1959 and for which appropriations, funds, or other authority would be available in the following appropriation Acts for the fiscal year 1960:

Legislative Branch Appropriation Act;
General Government Matters Appropriation Act;

Independent Offices Appropriation Act;
Department of Agriculture and Farm Credit Administration Appropriation Act;
Department of Defense Appropriation Act;
Department of Commerce and Related Agencies Appropriation Act;

Departments of Labor, and Health, Education, and Welfare Appropriation Act;
Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act;

District of Columbia Appropriation Act; and the Public Works Appropriation Act.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided for by the pertinent appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this subsection as passed by the House is

different from that which would be made available or granted under such Act as passed by the Senate, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority.

(4) Whenever an Act listed in this subsection has been passed by only one House or where an item is included in only one version of an Act as passed by both Houses, the pertinent project or activity shall be continued under the appropriation, funds, or authority granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower.

(b) Such amounts as may be necessary for continuing projects or activities which were conducted in the fiscal year 1959 and listed in this subsection (1) at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, or (2) if no budget estimate has been submitted prior to June 30, 1959, at the current rate, or (3) in the amount or at the rate specified herein:

Atomic Energy Commission;
Export-Import Bank;
Administration, Ryukyu Islands;
National Aeronautics and Space Administration;

River Basin Study Commission for South Carolina-Georgia-Alabama-Florida;
River Basin Study Commission for Texas;
Outdoor Recreation Resources Review Commission;

Boston National Historic Sites Commission;

Office of Civil and Defense Mobilization (civil defense and defense mobilization functions performed by other Federal agencies);

Mutual security programs, \$200,000,000, to be expended in accordance with provisions of law applicable to such programs during the fiscal year 1959 and at a rate for any individual program not in excess of the current rate therefor: *Provided*, That administrative expenses for such programs shall not exceed the current rate;

Department of Defense—military construction, Air National Guard; and

Transitional grants to Alaska, \$1,000,000, to be expended in the manner which would be provided for in the budget estimate for the fiscal year 1960.

Sec. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) July 31, 1959, whichever first occurs.

Sec. 103. Appropriations and funds made available and authority granted pursuant to this joint resolution may be used without regard to the time limitations set forth in subsection (d) (2) of section 3679 of the Revised Statutes, as amended, and expenditures therefrom shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

Sec. 104. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1959. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

Public Law 86-80
86th Congress, H. R. 7175
July 8, 1959

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960; namely:

Department of
Agriculture
and Farm Credit
Administration
Appropriation
Act, 1960.

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, and home economics, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$10,000, except for five buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or 4 per centum of the cost of the building, whichever is greater:

58 Stat. 742.
60 Stat. 810.

58 Stat. 742.

73 Stat. 167.

Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, including administration of payments to State agricultural experiment stations; \$67,722,490: *Provided*, That the Secretary is authorized to acquire from the Department of the Army without reimbursement land and improvements at Orlando, Florida, to be transferred pursuant to the Federal Property and Administrative Services Act of 1949, as amended: *Provided further*, That the limitations contained herein shall not apply to (a) replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a), or (b) not to exceed \$2,939,000 for the construction and alteration of buildings: *Provided further*, That the Secretary is authorized to acquire by donation lands necessary for the construction thereof;

73 Stat. 168.

63 Stat. 377.
40 USC 471 note.
62 Stat. 198.

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947 (21 U.S.C. 114b-d), \$49,800,600, of which \$1,500,000 shall be apportioned

61 Stat. 7.

31 USC 665.

for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions;

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, \$21,324,900;

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the fiscal year 1959 may be used by the Administrator of the Agricultural Research Service in departmental research programs in the fiscal year 1960, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

STATE EXPERIMENT STATIONS

69 Stat. 671.

60 Stat. 1089.

7 USC 361f.

Payments to States, Hawaii, and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture, \$31,053,708; and payments authorized under section 204(b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U.S.C. 1623), \$500,000; in all, \$31,553,708.

Penalty mail: For penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, \$250,000.

DISEASES OF ANIMALS AND POULTRY

61 Stat. 7;

23 Stat. 31.

21 USC 114c.

73 Stat. 168.

73 Stat. 169.

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, to be available only in an emergency which threatens the livestock or poultry industry of the country, and unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service".

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

67 Stat. 83.

69 Stat. 683.

60 Stat. 1089.

7 USC 343.

Payments to States, Hawaii, and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), \$52,220,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, \$53,715,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any

State, Hawaii, or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, \$5,674,375.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,491,307.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States, Territories, and insular possessions, \$2,242,540.

67 Stat. 83.
69 Stat. 683.
60 Stat. 1087.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 44 Stat. 802. 451-457), \$615,800.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$82,322,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That in the State of Missouri, where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further*, That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

49 Stat. 163.

73 Stat. 169.
73 Stat. 170.

Restrictions.

49 Stat. 163.

58 Stat. 742.
60 Stat. 810.

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1007), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), to remain available until expended, \$22,750,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

68 Stat. 666.
49 Stat. 163.

58 Stat. 742.
60 Stat. 810.

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed \$100,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended, \$18,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated.

73 Stat. 170.
73 Stat. 171.

WATER CONSERVATION AND UTILIZATION PROJECTS

For expenses necessary to carry out the functions of the Department under the Acts of August 11, 1939, and October 14, 1940 (16 U.S.C. 590y-z-10), as amended and supplemented, June 28, 1949 (63 Stat. 277), and September 6, 1950 (7 U.S.C. 1033-39), relating to water conservation and utilization projects, to remain available until expended, \$75,000, which sum shall be merged with the unexpended balances of funds heretofore appropriated to said Department for the purpose of said Acts.

53 Stat. 1418.
54 Stat. 1119.
64 Stat. 769.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$10,000,000, to remain available until expended.

70 Stat. 1115.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 16, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$241,500,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-

49 Stat. 1148.

building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959, carried out during the period July 1, 1958, to December 31, 1959, inclusive: *Provided*, That not to exceed \$26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than \$5,424,200 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the 1960 program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including administration, and no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That no change shall be made in such 1960 program which will have the effect in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year: *Provided further*, That not to exceed 5 per centum of the allocation for the 1960 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the 1960 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the

72 Stat. 192.

52 Stat. 69.

7 USC 1392.

49 Stat. 1148.

16 USC 590g-

590q.

73 Stat. 171.

73 Stat. 172.

Restrictions.

53 Stat. 1147.

5 USC 118k note.

62 Stat. 792.

use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND SERVICE

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed \$10,000, except for two buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or 3 per centum of the cost of the building, whichever is greater:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates, \$15,344,500: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop;

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, including the Packers and Stockyards Act, as amended September 2, 1958, and for administration and coordination of payments to States, \$26,072,600, of which \$15,000 shall be available for range and feedlot market reporting in Colorado and adjacent areas and including not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 1 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946.

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,195,000.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), \$110,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$43,657,248

shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

49 Stat. 774.
7 USC 612c.
42 USC 1755.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$3,518,300: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to give farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$2,493,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32: *Provided further*, That, in addition, not to exceed the equivalent of \$1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall be available for expenses of the agricultural attaché service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104(a) of that Act.

68 Stat. 908.
70 Stat. 1034.
49 Stat. 774.
68 Stat. 455.
7 USC 1701-1709.
7 USC 1704.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), \$909,500.

73 Stat. 173.
73 Stat. 174.

SOIL BANK PROGRAM

CONSERVATION RESERVE

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to carry out liquidation activities for the acreage reserve program, \$335,000,000: *Provided*, That not to exceed \$18,600,000 shall be available for administrative expenses, of which not less than \$14,400,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further*, That no part of this appropriation shall be used to enter into contracts with producers which, together with contracts already entered into, would require payments to producers (including the cost of materials and services) in excess of \$375,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period: *Provided further*, That no part of these funds shall be used to enter into contracts to pay rental compensation to any individual or corporation in excess of \$5,000 per annum: *Provided*

70 Stat. 191,
196.
52 Stat. 68.
7 USC 1388.

72 Stat. 188.
7 USC 1831a.

further, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants: *Provided further*, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85-459 shall not be applicable to contracts hereafter entered into: *Provided further*, That (1) no part of the funds authorized for 1960 may be used to enter into annual rental contracts for a period of time or at rates or in amounts which are in excess of limitations imposed by present regulations or announcements, (2) in establishing annual rental rates for new contracts, no such rental rate shall be established in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past five crop years including the current year, (3) in handling funds within any State, first consideration shall be given to those applicants who were not offered contracts during the 1959 sign-up due to limitation of funds, and (4) in the allocation of funds and administration thereof, the Department shall not allocate funds on any basis not in accord with the purposes as set forth in the basic law.

COMMODITY STABILIZATION SERVICE

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

52 Stat. 38.

7 USC 1392.

73 Stat. 174.

73 Stat. 175.

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393), \$39,135,000, of which not more than \$6,886,300 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

61 Stat. 922.

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$71,500,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed \$2,297,426.

FEDERAL CROP INSURANCE CORPORATION

OPERATING AND ADMINISTRATIVE EXPENSES

For operating and administrative expenses, \$6,376,700.

RURAL ELECTRIFICATION ADMINISTRATION

49 Stat. 1363.

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

7 USC 907, 903.

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, \$136,000,000; and rural telephone program, \$79,000,000; and additional amounts, not to exceed \$25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000.

FARMERS' HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000-1031); the Farmers' Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C. 436-439); the Act of August 28, 1937, as amended (16 U.S.C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z-1 and z-10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033-1039), as follows:

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, \$24,000,000, of which not to exceed \$2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, \$180,000,000; the Act of August 28, 1937, as amended, \$2,000,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That an additional amount, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1960 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones Farm Tenant Act, as amended, not to exceed \$5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers' Home Administration, and other administrative expenses, \$30,744,750, together with a transfer of not to exceed \$1,000,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1005 (b)), and section 10(c) of the Act of August 28, 1937, as amended.

60 Stat. 1072.
68 Stat. 736.
16 USC 590x-3.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$3,162,025.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$2,881,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U.S.C. 1001).

60 Stat. 237.
73 Stat. 176.
73 Stat. 177.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,431,665, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417) and not less than two hundred and thirty-three thousand and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

34 Stat. 690.

28 Stat. 612.

58 Stat. 742.
60 Stat. 810.

LIBRARY

SALARIES AND EXPENSES

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, \$900,000.

TITLE II—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1960 for such corporation or agency, except as hereinafter provided: 61 Stat. 584.
31 USC 849.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,330,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

RESTORATION OF CAPITAL IMPAIRMENT

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1958, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), 52 Stat. 107.
\$1,435,424,413.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$42,000,000 shall be available for administrative expenses of the Corporation: 73 Stat. 177.
Provided further, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: 73 Stat. 178.
Provided further, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: 31 USC 665.
Provided further, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person pro-

duced the preceding year, in such percentage, not to exceed 20 per centum, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within twelve months from the date of the advance of such funds or at such later date as the Secretary may determine, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, 1959 (including interest through date of recovery), as follows: (1) \$63,875,000 under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642); (2) \$104,508,000 for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724); (3) \$968,016,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701-1709); (4) \$35,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446); (5) \$129,000,000 for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856); (6) \$1,056,500 for transfers to the appropriation "Diseases of animals and poultry" pursuant to authority contained under such head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; and (7) \$1,607,000 for transfers to the appropriation "Marketing research and service" pursuant to the Act of August 31, 1951 (7 U.S.C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U.S.C. 473a, 511d).

63 Stat. 945.
68 Stat. 457.
73 Stat. 178.
73 Stat. 179.
68 Stat. 455.
70 Stat. 492.
70 Stat. 200.
72 Stat. 189.
65 Stat. 239.
50 Stat. 62;
49 Stat. 732.

TITLE III—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

Not to exceed \$2,125,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

FEDERAL FARM MORTGAGE CORPORATION

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be declared as dividends which shall be paid into the general fund of the Treasury.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and twenty-five passenger motor vehicles, of which four hundred and twenty-three shall be for replacement only, and for the hire of such vehicles.

Passenger
motor ve-
hicles.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation at the Foreign Agricultural Service.

Employment
of aliens.

SEC. 403. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

Uniform
allowances.

SEC. 404. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

68 Stat. 1114.
Cotton price
predictions.

SEC. 405. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Purchase of
twine.
73 Stat. 179.
73 Stat. 180.

SEC. 406. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793), shall be available for contracting in accordance with said Acts.

60 Stat. 1082-
1091.
68 Stat. 574.
7 USC 4271.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

Publicity or
propaganda.

This Act may be cited as the "Department of Agriculture and Farm Credit Administration Appropriation Act, 1960".

Short title.

Approved July 8, 1959.

OFFICE
OF THE
CLERK

H. R. 7175

BY THE SENATE OF THE UNITED STATES

IN SENATE

APPROVED FOR THE SENATE

AMENDMENT

to be printed by the Government Printing Office, Washington, D. C., under appropriation for the Department of the Interior, and the same to be printed by the Government Printing Office, Washington, D. C., under appropriation for the Department of the Interior, and the same to be printed by the Government Printing Office, Washington, D. C., under appropriation for the Department of the Interior.

of the said section 11 of the said statute, the same to be printed by the Government Printing Office, Washington, D. C., under appropriation for the Department of the Interior, and the same to be printed by the Government Printing Office, Washington, D. C., under appropriation for the Department of the Interior, and the same to be printed by the Government Printing Office, Washington, D. C., under appropriation for the Department of the Interior.

Calendar No. 317

86TH CONGRESS
1ST SESSION

H. R. 7175

IN THE SENATE OF THE UNITED STATES

MAY 28, 1959

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. STENNIS to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, viz:

1 At the end of item (1) of the last proviso in the item
2 “Limitation on Administrative Expenses, Commodity Credit
3 Corporations”, insert the following: “without providing
4 (notwithstanding section 405 of the Agricultural Act of
5 1949 as amended) for the full repayment of all amounts
6 advanced in excess of \$50,000 plus interest thereon in any
7 marketing year”.

86TH CONGRESS
1ST SESSION

H. R. 7175

AMENDMENT

Intended to be proposed by Mr. STENNIS to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

MAY 28, 1959

Ordered to lie on the table and to be printed

Calendar No. 317

86TH CONGRESS
1ST SESSION

H. R. 7175

IN THE SENATE OF THE UNITED STATES

JUNE 1, 1959

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. COOPER to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, viz:

1 FOREIGN AGRICULTURAL SERVICE

2 On page 17, line 16, after the parenthesis and comma,
3 strike out: "\$3,518,300" and insert: "\$4,268,300".

4 On page 18, line 3, after the word "of" strike out:
5 "\$1,310,000" and insert "\$560,000".

AMENDMENTS

Intended to be proposed by Mr. Cooper to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

JUNE 1, 1959

Ordered to lie on the table and to be printed

Calendar No. 317

86TH CONGRESS
1ST SESSION

H. R. 7175

IN THE SENATE OF THE UNITED STATES

JUNE 1, 1959

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. O'MAHONEY to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, viz:

1 On page 15, line 24, insert after the word "therewith",
2 insert a comma and the following: "including the Packers
3 and Stockyards Act, as amended September 2, 1958".

4 On page 15, line 25, strike out "\$26,306,600" and in-
5 sert in lieu thereof "\$26,426,600".

AMENDMENTS

Intended to be proposed by Mr. O'MAHONEY to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

JUNE 1, 1959

Ordered to lie on the table and to be printed

Calendar No. 317

86TH CONGRESS
1ST SESSION

H. R. 7175

IN THE SENATE OF THE UNITED STATES

JUNE 1, 1959

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself and Mr. HUMPHREY) to the bill (H. R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, viz:

- 1 On page 30, line 10, strike out the period at the end
2 thereof and insert in lieu thereof a colon and the following:
3 *“Provided, That no funds or stocks of the Commodity Credit*
4 *Corporation shall be utilized for the purpose of carrying out*
5 *price support operations for any crop planted after January*
6 *1, 1960; for which the Secretary has failed to provide acreage*
7 *allotments, production goals, and marketing practices pur-*
8 *suant to section 401 (c) of the Agricultural Act of 1949, as*
9 *amended.”*

Calendar No. 317

86TH CONGRESS
1ST Session

H. R. 7175

AMENDMENT

Intended to be proposed by Mr. Douglas (for himself and Mr. Humphrey) to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

JUNE 1, 1959

Ordered to lie on the table and to be printed

86TH CONGRESS
1ST SESSION

Calendar No. 317

H. R. 7175

IN THE SENATE OF THE UNITED STATES

JUNE 1, 1959

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to the bill (H. R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, viz: At the appropriate place add the following new section:

1 SEC. —. The Agricultural Act of 1949, as amended, is
2 amended effective beginning with 1960 production by in-
3 serting after section 420 the following new section:

4 “SEC. 421. The total amount of price support extended
5 to any person on any year’s production of agricultural com-
6 modities through loans or purchases made or made available

1 by the Commodity Credit Corporation, or other agency of
2 the United States Department of Agriculture, shall not ex-
3 ceed \$35,000. The term 'person' shall mean any individual,
4 partnership, firm, joint-stock company, corporation, associa-
5 tion, trust, estate, or other legal entity or a State, political
6 subdivision of a State, or an agency thereof. The Secretary
7 shall issue regulations prescribing such rules as he determines
8 necessary to assure a fair and effective application of such
9 limitation, and to prevent the evasion of such limitation.

10 "In the case of any loan to, or purchase from, a coop-
11 erative marketing organization the limitation of \$35,000
12 shall not apply to the amount of price support extended to
13 the cooperative marketing organization, but the amount of
14 price support made available to any person through such co-
15 operative marketing organization shall be included in de-
16 termining the amount of price support extended to such
17 person for the purpose of applying such limitation."

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

JUNE 1, 1959

Ordered to lie on the table and to be printed

H. R. 7175

IN THE SENATE OF THE UNITED STATES

JUNE 1, 1959

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. DOUGLAS (for himself and Mr. NEUBERGER) to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, viz:

- 1 On page 20, line 6, strike out the figure "\$39, 135,000"
- 2 and insert in lieu thereof the figure "\$28,135,000".
- 3 On page 25, line 14, strike out the figure "\$1,431,665"
- 4 and insert in lieu thereof the figure "\$1,269,665".

AMENDMENTS

Intended to be proposed by Mr. Douglas (for himself and Mr. NEUBERGER) to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

JUNE 1, 1959

Ordered to lie on the table and to be printed

H. R. 7175

IN THE SENATE OF THE UNITED STATES

JUNE 1, 1959

Ordered to be printed

AMENDMENT

Proposed by Mr. WILLIAMS of Delaware to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, viz:

- 1 On page 12, line 15, strike out the figure "\$250,000,-
- 2 000" and insert in lieu thereof "\$100,000,000".

H. R. 7175

AMENDMENT

Proposed by Mr. WILLIAMS of Delaware to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

JUNE 1, 1959

Ordered to be printed

Calendar No. 317

86TH CONGRESS
1ST SESSION

H. R. 7175

IN THE SENATE OF THE UNITED STATES

JUNE 2, 1959

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, viz:

- 1 On page 19, line 6, strike out the figure "\$450,000,000"
- 2 and insert in lieu thereof "\$325,000,000".

6-2-59—B

86TH CONGRESS
1ST SESSION

H. R. 7175

AMENDMENT

Intended to be proposed by Mr. WILLIAMS of Delaware to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

JUNE 2, 1959

Ordered to lie on the table and to be printed

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